

**EXPLORING THE LINKS BETWEEN STRATEGIC CHANGE AND  
ORGANIZATIONAL OUTCOMES**

**BY**

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## ABSTRACT

This thesis discusses and comments on published work that explores the links between managerial attempts at major strategic and organizational changes (referred to throughout the thesis as strategic change) and key organizational outcomes. The opening chapter reviews the literature on strategic organizational change, particularly focussing on models of organizational change, extant research into success and failure of change programmes and the evaluation of change. A model of strategic organizational change is presented that demonstrates the links among key variables and outcomes of change. In chapter two, the published articles are critically revisited for their contributions to establishing the causes of success and failure in strategic change, conceptual development and methodological development in the field. In addition, most of the articles are reflected on to show how the data could be analytically generalized to the models developed in the literature review. The issues raised by the articles are addressed thematically and each article is considered separately.

## CONTENTS

	Page No
TITLE PAGE	i
ACKNOWLEDGEMENTS	ii
ABSTRACT	iii
DECLARATION	iv
CONTENTS PAGES	v
INTRODUCTION	1
CHAPTER 1: EVALUATING STRATEGIC ORGANIZATIONAL CHANGE: A REVIEW OF THE LITERATURE	3
MODELS OF CHANGE	3
TOWARDS A MORE COMPLETE MULTI-LENS FRAMEWORK	38
CONCLUSIONS	62
REFERENCES	68
CHAPTER 2: COMMENTARY ON THE PRESENTED PAPERS	80
INTRODUCTION	80
MY RESEARCH: AN OVERVIEW	84
Personal Development	84
A Methodological Overview	87
Paradigms in management research	89
Research strategy and the value of single cases	95

	<b>Page No</b>
THE PUBLISHED WORK: CONTRIBUTIONS AND CRITICAL REFLECTIONS	98
THEME ONE: LEARNING FROM SUCCESS AND FAILURE IN STRATEGIC CHANGE	98
Paper 1: Learning from Failure at Timex: A Contextualist Account and the Politics of Resistance	98
Paper 2: Learning from Success: A Contextualist Account of NCR and the role of Strategic Leadership, Accidents and Event Concrecence	104
Paper 3: Learning from Limited Change: The Failure of Top Down, Planned Culture Change in a Local Authority and the Politics of Resistance	108
THEME TWO: CONCEPTUAL DEVELOPMENT	118
Paper 4: The Institutionalization of Change, the Transfer of Best Practice and the Politics of Resistance in ABB	118
Paper 5: Theorising Resistance to Change in Multinational Enterprises: The case of CASHCO	123
Paper 6: Explaining the Diffusion of Best Practice Management Development: Rational Planning versus Institutional Explanations: Management Development in Scotland	129

	Page No
Paper 7: Do HRD Investment Strategies Pay?	133
Theorising a Link between HRD and Psychological Contracts	
THEME THREE: METHODOLOGICAL DEVELOPMENT AND	142
ISSUES IN THE STUDY OF CHANGE	
Paper 8: Linking Career Development and Job Security in a	142
new Psychological Contract: Ethnography and the Value of	
Methodological Pluralism	
CONCLUSIONS	150
REFERENCES	160
APPENDICES	
APPENDIX 1: LIST OF PUBLISHED WORK SUBMITTED FOR THE	171
THESIS	
APPENDIX 2: COPIES OF PUBLISHED WORK SUBMITTED	173
LIST OF FIGURES	
1.1 Ontological, epistemological and methodological issues in	18
strategic change	
1.2 Process theories of organizational change (adapted from Van	25
de Ven and Poole, 1995)	

	Page No
1.3 Wilson's (1992) categorisation of the change management literature	26
1.4 Whittington's (1993) classification of the strategic change literature	27
1.5 Four perspectives of strategy (Whittington, 1993)	28
1.6 The ten schools (adapted from Mintzberg, Ahlstrand and Lampel, 1998)	29
1.7 Rajagopalan and Spreitzer's (1996) Multi-lens framework for understanding strategic change	33
1.8 The features of five schools of thought (Combe, 1998)	37
1.9 Schools of thought and perspectives on strategic change (Combe, 1998)	40
1.10 Rhetorical devices in strategic management (Barry and Elmes, 1997)	46
1.11 Four types of change conversations (based on Ford and Ford, 1995)	47
1.12 An extended version of Rajagopalan and Spreitzer's (1996) multi-lens framework for understanding strategic change incorporating the relational context and the process of institutionalizing strategic change.	51

	<b>Page No</b>
1.13 Integrating institutional theory and strategic discourses to produce a model of the process of institutionalization of strategic change	53
2.1 Themes and contributions of the presented papers	83
2.2 The position of post-positivists in the classical dichotomy	92
2.3 A summary of the methodological approaches and data collection methods of the presented papers	94



## INTRODUCTION

The overall aim of this thesis is to submit and critically reflect on eight of my publications over the last four years to validate my claim for a doctoral-level award. In doing so, I have engaged in a process of writing as a method of inquiry (Huff, 1999; Richardson, 1998) in which the writing process has been used as a way of revisiting these publications. By offering critical reflections on these works, my intention is to show how they could be re-interpreted in the light of developments in the literature and in my understanding of the processes of strategic change. In short, I am writing to think as well as thinking to write.

The thesis has been written in two stages. First, I have reviewed the recent literature on strategic and organizational change to provide a theoretical framework for the thesis that is intended as a contribution to knowledge in its own right by addressing some existing gaps in the literature. Work in this field has expanded almost exponentially, especially the practitioner-oriented variety that is so influential with external and internal change consultants. However, adopting Lewin's old aphorism "that there is nothing so practical as good theory", I have chosen to concentrate on the more theoretical, research-oriented writing that has attempted to explore the relationship between strategic change and organizational outcomes. Consequently, the general question guiding this thesis, to which I have sought an answer in this literature review and which is addressed by a number of the articles reviewed in the second chapter of this thesis, can be

simply stated as follows: what is required to embed strategic change in an organization? This question has been answered (at least in part) in the opening chapter by the development of an overall theoretical framework of strategic change that builds upon the work of Rajagopalan and Spreitzer (1996) and others (see Figure 1.12). The intended contribution to knowledge in this thesis, however, is the incorporation of a process model of the institutionalization of strategic change (see Figure 1.13) into the framework described in Figure 1.12. This process model has been developed deductively from the literature and inductively from my research in this area during the past five years or so.

Chapter 2 of the thesis has three aims. The first is of these is to review the published articles for their contribution to the general question raised above and to show how my thinking about success and failure in strategic change has contributed to the development of the overall framework but particularly to the process model of change described in chapter 1. The second aim is to critically re-evaluate the data from these articles to show how they illustrate, represent or are analytically generalizable to the two frameworks developed in the opening chapter.<sup>1</sup> The third aim is to consider some of the methodological issues raised by researching into strategic change and to show how my thinking on methodology has developed during the process of researching these articles.

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<sup>1</sup> Depending on the feedback, my longer term intentions are to submit parts of this thesis to a journal that publishes literature reviews and to use substantial parts of the complete work as the basis of a book proposal on strategic change and organizational outcomes

Finally, a note on style. I was recently chided by the editor of one journal for using the first person. Arguably, this criticism is a little old-fashioned and goes against the grain of current (and not so current) advice from authoritative sources on how to write (Gowers, 1990), how to write for academic publications (APA, 1994, see also, Academy of Management Review Style Guide for Authors, January 1999) and how to write *reflectively* and *reflexively* (Denzin & Lincoln, 1994). Consequently, I have used the first person throughout this thesis, though, I hope, not excessively nor intrusively.

## CHAPTER 1

### EVALUATING STRATEGIC ORGANIZATIONAL CHANGE: A REVIEW OF THE LITERATURE

#### MODELS OF CHANGE

##### The Importance of Understanding Strategic Organizational Change

Studies in the field of strategic change have become more important over the last two decades, at least as indicated by the volume of literature with the word “change” in the title, the number of university and practitioner courses about topic and the new competence frameworks developed by managers for managers. On this last point it has become something of a cliché that organizational change is normal (Collins, 1998; Kanter, Stein & Jick, 1992), that managing change is the key job of all managers (Kanter, 1983; Balogan & Hope Hailey, 1999) and that managing change and reinvention is a core organizational competence (Hamel and Prahalad, 1994 ; Goss, Pascale & Athos, 1993). Such ideas are inextricably tied up with the current focus of managers on organizational learning and knowledge management and the desire to create learning organizations and knowledge-creating companies (Easterby-Smith, 1997; Nonaka & Takeuchi, 1995; Scarborough, Swan & Preston, 1998; Tobin, 1998).

The reasons for these developments are numerous, but three related points are worth reflecting on since they shed light on certain key research questions that require to be answered. The first reason was the trajectory of organizational responses to the challenges of uncertain markets, economic

strategic and organizational differences and achieving different rates of success (for recent evidence on such developments, see Ruigrok, Pettigrew, Peck & Whittington, 1999). Thus, as some researchers and, indeed, the Academy in general have suggested (e.g. see special research forum call for papers for the Academy of Management, 2000) it is important to know more about the relationship between strategic change and organizational outcomes and the process of embedding change in organizations. Consequently, this review of the literature on strategic change, which acts as an organizing framework for the thesis, addresses the following *general question* that is key to understanding the relationship and processes of strategic change and their effects on organizational success (see the special research forum call for papers for the *Academy of Management Journal*, 42 (3) back cover). This question, which has major theoretical and practical significance, can be stated simply: what is required of organizations to embed strategic change over time? However, providing a more complete answer to it requires us to deal with number of subsidiary methodological issues and specific questions that will be touched on during the course of this review and in the discussion of the published works in the next chapter, e.g. why is it that some organizations succeed and others fail to embed essentially similar change initiatives, what are the key influences on shaping strategic change, and what factors or pattern of events might facilitate or hinder the embedding of strategic change in an organization?

At this point it is worth adding a disclaimer. Although the title and general question addressed in this literature review may imply a relationship and discussion between what might be seen as *independent variables* ( such as changes in strategy, managerial cognitions and communications) and organizational outcomes as a *dependent variable*, it is beyond the scope of this literature review to address the complex issue of the latter, which would probably require another thesis in its own right. Moreover, as Chia (1999) has argued so cogently, framing a discussion of change in this way privileges static, and thus temporary, notions such as “organization” and “outcomes” over dynamic and permanent notions such as change. Implicit in the term “organizational change” is that “there are discrete, social entities called ‘organizations’ which ‘evolve’ from one stable state to another. Such an orientation misses the truly dynamic character of social and material reality” (Chia, 1999, p.226). This literature review is sympathetic to the call for a “process epistemology” and focuses on mapping out the main influences on strategic change and the process dynamics involved in changing organizational outcomes.

#### Defining the area under investigation.

For the purpose of clarity, it is important to define what might be included and excluded from this study of strategic change since there is considerable confusion in the literature as to what constitutes strategic change and how it differs, if at all, from the domains of strategic management, organizational theory or the management of change. Often the confusion

arises because of writers' original disciplines and the specific questions that they address. Thus, on the one hand, those researchers closely aligned with rationalist approaches to strategic management tend to emphasise the environmental-strategic content fit when explaining the outcomes of change, often neglecting or playing down the organizational context. On the other hand, scholars with organizational or management of change backgrounds (e.g. Burnes, 1996; Collins, 1998), tend to focus on the role of managers, organizational contexts, structures and cultures in explaining outcomes, but sometimes neglect the influence of strategic content. These differing perspectives may reflect a kind of "trained incapacity" or "skilled incompetence" (Argyris, 1994) on the part of researchers. Often, it seems, that methodological preferences dictate the research questions asked rather than the converse (Rajagopalan & Spreitzer 1996).

Reflecting on the debate in the strategic management literature between the "outside in" (the environmental school) and "inside out" (resource-based theories) perspectives on strategic change, I have chosen to work with and amend Rajagopalan & Spreitzer's (1996, p. 49) definition of strategic change as "a difference in the form, quality or state over time in an organization's alignment with its external environment" at corporate, business or collective level. Their definition, however, could be interpreted as focusing on the "harder" elements of strategic change and, thus, playing down important contributions from organizational studies and the change management literature (see the work of the "contextualist/processual school"

e.g. Pettigrew, 1995), culture change theorists (e.g. Hatch, 1993) and writers on organizational discourse (Keenoy, Oswick & Grant, 1997). Thus, I suggest that strategic change involves (a) changing the organization's strategic content and dominant discourse, i.e. its scope, plans, competitive positioning, mission and rhetoric or how it deploys its key resources, and (b) changing how the organization and its managers shape and construct the external and internal environments to promote and push through intentional change in the content of strategy and in the overall organization (Ford & Ford, 1995; Van den Ven & Poole, 1995). Therefore, what are specifically excluded are processes that do not involve or significantly impact on the strategic content and/or discourse or of the overall organization's structure, culture and systems.

#### Rigour versus Relevance and the Need for Theory and Models

Within the academic communities on both sides of the Atlantic, there has been a major debate on the role of business schools and management academics over what kind of role they should be playing in the future (see recent addresses at the annual conferences of the Academy of Management in Chicago, 1999 and the British Academy of Management in Nottingham and Manchester in 1998 and 1999). This debate has been structured along the lines of what has come to be known as Modes 1 and 2 knowledge and learning (Gibbons, et al., 1994). Mode 1 is characterised by knowledge that is produced by scientists for scientists, is university-focused, discipline-based, produced through individual effort, validated by peer review and applied, usually later, by others. Mode 2, in contrast, is characterised by "knowledge



for application”, is transdisciplinary, group-based, validated in use and time-critical, in the sense that managers have to be “roughly right but fast” (Weick, 1999, August).

Prominent academics (Huff 1999, September; Weick 1999, August) have called recently for knowledge that combines elements of both modes, and indeed, may be superior to both. For example, Weick set out a role for business academics to help managers identify and deal with “blindspots” and deal with vested interests in an increasingly unknowable future by providing them with the facility to see “more real worlds”. In a similar vein, Huff argued for a superior “Mode 1.5” in which management academics addressed both rigour and relevance by producing knowledge that fitted the strengths of the academy in theory building but was also problem-oriented, with an emphasis on trial and intuition and which led to the development of practical theory and tools.

Following this line of argument, Argyris (see conversation with Keys & Fulmer, 1999) has exhorted academics to produce Mode 2, theory-in -use, knowledge that is “actionable” by practitioners. He has claimed that most rigorous research found in many academic journals is not actionable, precisely because the papers adhere strictly to traditional academic values and methodology. According to him, this is a good example of self-referential, skilled incompetence on behalf of academics and the academy.

Implicit in Argyris’s position, however, is what has come to be known as a need for *reflexivity* among researchers and practitioners. This means that

those involved in analysing or undertaking strategic change need to be critically aware of their own intellectual assumptions and biases (Alvesson, 1993; Hassard & Parker, 1993; Hardy & Clegg, 1997). This call for reflexivity is not merely an academic issue but is critically important for actionability. As Martin (1992) has pointed out, the dangers of an unreflexive approach, based on the change agent's particular allegiance to a single theory, perspective or metaphor, have resulted in some expensive organizational mistakes. Equally, however, there is the danger of an unreflexive pragmatism in which analysts and practitioners "shop in the supermarket of ideas" (Burrell, 1999) in the belief that "anything goes" in the search for quick fixes or the application of so-called best practice (Abrahamson, 1997; Barley & Kunda, 1992). Consequently, we cannot avoid consideration of some of the "great debates" in organizational and strategic analysis that focuses on ontological epistemological and methodological issues (Burrell & Morgan, 1979).

## The Different Assumptions Concerning the Management of Strategic Change. Ontological, Epistemological and Methodological Conflicts.

In this review of the various theoretical schools and approaches to strategic change, it will become evident that most writers in this field have either begun their theorising by using metaphors or are attached to metaphorical analysis as a way of theorising about and changing organizations (Grant & Osrick, 1996; Morgan, 1993; 1997). Moreover, even those researchers that eschew metaphors and make claims for science in their work, often employ “dead” metaphors, such as environment, organizational control, culture, employees and human resources (see, for example, Donaldson, 1996) as if they were somehow real.

Drawing on the earlier work of Burrell and Morgan (1979), Palmer and Dunford’s (1996) analysis is particularly revealing of the sources of conflict that underlie different positions in the field of organizational change. They have pointed to four such sources in their analysis of metaphors for organizational change that can be extended to the analysis of theories and perspectives more generally in the field of strategic change (see Figure 1. 1).

These sources of conflict relate to the following issues:

1. Representation: the relationship among metaphors (and by extension, theories and perspectives), the nature of organizational reality and the usefulness of employing multiple metaphors or perspectives at the same time to explain strategic change.

2. Ennunciation: are some metaphors, theories or perspectives superior to others or why do they gain prominence over others?

3. Separation: do metaphors facilitate the production of knowledge about strategic change by promoting creativity? Or we need a more literal, scientific language to anchor conventional positivistic research?

4. Routinization: Can we combine metaphors, theories or perspectives to produce knowledge or are these metaphors, theories or perspectives rooted in incommensurable paradigms?

It is outside the scope of this literature review to engage in all of the conversations generated by these questions, although readers should be aware of these points of conflict in evaluating the literature (readers are referred to Alvesson & Deetz, 1996; Burrell & Morgan, 1979; Chia, 1999; Clegg, Hardy & Nord, 1996; Hassard & Parker, 1992; Grant & Osrick, 1997; Morgan, 1993; 1997; Hatch, 1997; Palmer & Dunford, 1996; Watson, 1994; for some of the ontological and epistemological debates). However, in the interests of reflexivity and to make my own position clear, it is necessary to further consider the issue of paradigm incommensurability, since my argument is that some paradigms are at least partly commensurable which, in turn, offers the possibility of an integrated framework.

It is, perhaps, sufficient to state my position clearly on each of these questions raised by Palmer & Dunsford (1996), which is as follows. First, I believe that we can speak of an objective or material organizational reality

but, at the same time, acknowledge that much of what we describe as organizational reality is discursively produced. This is not an inconsistent epistemological stance since “critical realists” have been making a case for such an ontological/epistemological perspective for some years (Bhaskar, 1989). Critical realism acknowledges that reality can be natural and, moreover, that this reality takes the form of objects, structures and powers which can cause people to think and behave in particular ways. Critical realism, however, also acknowledges the social constructionist position on the nature of reality and the call for understanding. It may be worth quoting a passage from a recent work by Sayer (2000), one of the leading writers in this area, to illustrate the fusion of structure and action inherent in critical realism.

Critical realism acknowledges that social phenomena are intrinsically meaningful, and hence that meaning is not only externally descriptive of them but constitutive of them (though of course there are material constituents too). Meaning has to be understood, it cannot be measured or counted, and hence there is always an interpretive or hermeneutic element in social sciences)...This means that critical realism is only partly naturalist, for although social sciences can use the same methods as natural sciences regarding causal explanation, it must also diverge from them in using ‘verstehen’ or interpretive understanding....(But) while we can endorse much of hermeneutics, realism insists (a) on material commitments and settings of communicative interaction, and (b) on the presence of a non-discursive, a material dimension to social life. ( Sayer, 2000, p. 17-18).

Thus, the critical realists position is that there are objective realities and material conditions which can be studied and measured quantitatively but also that key issues in strategic change are inherently ambiguous, paradoxical and are often produced by speech acts and contestation over discourse and objective interests. Consequently, we can never truly know reality in other

than a probabilistic sense. Thus the ontological and epistemological position of critical realism is consistent with a range of epistemological and methodological traditions, including post-positivism and certain versions of constructivism, that are outlined and discussed in Chapter 2 of this thesis.

The second point I wish to make is that, since my aims are consistent with producing a version of Mode 2 knowledge for application (how is it possible to help managers, when academics fragment the field even further?), my position is of acknowledging that certain paradigms are incommensurable but also of accepting that the dialogue among them is essential for mutual understanding of complex organizational issues (Weick, 1999; Scherer, 1998) and may, in turn, lead to a more *accurate* picture than would be possible if we used only a single lens (Morgan, 1997).

In the field of organization studies, paradigm incommensurability has a long history since the various perspectives of organizational phenomena are rooted in seemingly incompatible ontological, epistemological and methodological philosophies (see Figures 1.1 and 2.2). Such pluralism itself is less of a problem and, moreover, is to be expected and welcomed because it guarantees a degree of democracy in the production of knowledge; furthermore it is to be expected from scholars with diverse intellectual origins (Czarniawska, 1998). However, what is also lacking is a set of standards to help academics and practitioners to make judgements between and among paradigms. Without such standards, we are unable to justify one stance as being superior to any other in a given situation: thus we require not

only a degree of theoretical pluralism but also a way of combining diverse perspectives to produce, in the best of all worlds, a “comprehensive” explanation (Morgan, 1997). Gioia & Pitre (1990) and, more recently, Lewis & Grimes (1999) have labelled this process “metatriangulation”, which is a strategy of theory building where multiple paradigms are used to generate more accurate and complex insights and creative explanations.

Third, and most importantly given the theory-building aims of this thesis, it is necessary to touch on a further epistemological/methodological debate in the change management literature that is related to the above discussion on commensurability and is also fundamental to this review. In a recent issue of the Academy of Management Review (Academy of Management Review, 1999) on theory development, a number of writers (Langley, 1999; Pentland, 1999; Weick, 1999) have taken up the debate between the comparative usefulness of *variance theory* and *process theory* in developing explanations of strategic and organizational change (some of these issues have been touched on earlier in the reference to Robert Chia’s work). Langley’s article was most explicit on this issue: on the one hand, she described variance theory as characterised by the traditional, positivistically-oriented approach to explaining strategic change as a relationship between dependent variables (usually outcomes) and antecedent, independent variables (usually preceding states). Such explanations normally took the form of more of X and Y would lead to more of Z. On the other hand, process theory provided explanations of change through “fine-grained” description of

the temporal *sequence of events, activities, choices and emotions, etc.* that led to changes in particular outcomes. In judging between the two, Weick (1999) pointed out that there were important “trade-offs”: variance theories were usually relatively strong on *generalization* and *simplicity* (parsimony) but relatively weak on *accuracy*, whilst process theories were relatively strong on accuracy, but also relatively *complex* (not always a positive feature for actionability, according to Weick) and weak on generalization.

Precisely because of this trade-off, Langley (1999) and others have argued for an eclectic position on data gathering and theory building in which variables and events and variance and process theories can be combined to produce more useful models and answer questions that link key events connected with the process of change (e.g. the appointment and approach of leaders) to key variables (e.g. the outcomes of change). This debate on the relative strengths of both approaches is continued on the following pages but the position adopted in this thesis broadly mirrors Langley’s (1999) call for eclecticism and combination in data collection and theory building.



Figure 1.1 Ontological, epistemological and methodological issues in strategic change (adapted from Palmer and Dunsford, 1996, pp. 696-7)

Issues in the use of single or multiple theories, metaphors or perspectives in strategic change	Conflicts in strategic change in using particular theories, metaphor or perspectives	Issues for reflexive researchers or practitioners
	<p><b>Conflict 1:</b> There is no objective organizational reality or truth. Multiple theories etc. are needed because no one theory etc. can best explain a specific situation</p>	
The use of single or multiple theories etc. to understand and change a specific situation	<p>Versus</p> <p>Organizations have an objective reality independent of the observer. Specific theories etc. can best describe specific situations</p>	Representation of organizational life
	<p><b>Conflict 2:</b> Prominent theories etc. reflect the compelling nature of their proponents' arguments and evidence</p>	
Whether change theories etc. emerge because of their creativeness and usefulness or whether they reflect the dominant interests of powerful groups	<p>Versus</p> <p>Prominent theories reflect their material and ideological underpinning in the practice of strategic change</p>	Enunciation: Are some theories inherently superior to others or are they essentially ideas in the service of power?
	<p><b>Conflict 3:</b> Metaphors alone are unable to produce rigorous knowledge of strategic change - a literal, scientific terminology is needed</p>	

The relationship between the literal/scientific approach and metaphors to studying and practising change

Versus

Separation: Do metaphors produce useful knowledge or do we need literal, scientific language and methods to produce useful knowledge?

Metaphors are integral to producing knowledge about strategic change - a literal, scientific language is not possible and masks the discursive nature of strategic change

**Conflict 4:**

Some theories, etc. are incommensurable and should not be used together in producing knowledge about strategic change

Rules governing consistency in the use of change theories

Versus

Routinization: are some theories essentially paradigmatic or can we bring them together in an intelligent and reflexive fashion?

All theories, etc are commensurable (at least to a degree) and can be integrated to produce useful knowledge about strategic change

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## Existing Theory and Models of Strategic Change: Comparisons, Contrasts and Limitations

Since the early 1990s, there has been a steady increase in the literature on strategic change. These works can be crudely subdivided (see, for example, Collins, 1998) into *popular accounts* that focus on the practitioner market, comprising hero-manager reflections, guru works and student-oriented textbooks for the growing executive MBA market, and the more *critical, research-based studies* that attempt to theorise about the process of

strategic change. Although there is a degree of crossover between these two camps (particularly notable among the writings of US academic-gurus and specialist journals that attempt to make academic research intelligible to practitioners) it is rare for popular accounts to articulate well-grounded theories of change. It is for this reason that such accounts will not be reviewed in this chapter. However, it should be noted that these popular accounts are by far the more influential with practitioners, with the best of them deserving serious academic attention (see, for example, the revisitation of “In Search of Excellence” by Colville, Waterman & Weick (1999) and Senge’s (1990) work on learning organizations).

Within the academic literature, there have been a number of attempts to theorise about or account for strategic change. Reflecting on the earlier discussion on conflicts in strategic change and particularly on paradigm incommensurability, these accounts fall – albeit not very neatly - into two categories (Combe, 1998). The first of these categories is what might be called the *alternative paradigm approach*. Such attempts at developing conceptual models usually involve dividing schools of research along two key dimensions or core assumptions that reflect ontological and epistemological divisions in the literature, thus producing the inevitable 2 x 2 matrices which have become a feature of management studies. The implications of these matrices are of division and of incommensurability. Notable examples of such works are Burrell and Morgan’s (1979) and Alvesson & Deetz’s (1999) attempts to classify the sociology of organizations and organizational theory.

In the field of strategic and organizational change Wilson (1992), Whittington (1993), Van de Ven & Poole (1995) and, recently, Mintzberg & Lampel (1999) have utilised 2 X 2 matrices to classify the literature, although it should be noted that none of these authors made claims for incommensurability; instead, most of them have viewed the dimensions that they used to construct their matrices as continua rather than as polar opposites (see below).

The second category encompasses those attempts to *integrate multiple perspectives*. Following Palmer & Dunsford (1996), these approaches are rooted in the beliefs that no single theory is capable of explaining all aspects of change and that diverse theories are, at least partially, commensurable. Consequently, these approaches usually identify a number of criteria against which different schools of thought can be compared and contrasted and, in turn, they highlight the partiality of each school. Good examples of these multiple perspective approaches are Morgan's (1986) use of metaphors to analyse organizational change, Martin's (1992) perspectives on cultures in organizations; Hardy & Clegg's (1996) classification of organizational theory, Mintzberg and Lampel's (1999) work on strategic management, Combe (1998) and Rajagopalan & Spreitzer (1996). Such approaches imply a degree of crossover and conversation among perspectives, at least at a practical level, since perspectives are, by definition, partial and claim to offer only limited insights.

## Alternative Paradigms

As noted above, it is perhaps unfair to place Wilson (1992), Whittington (1993) and Van de Ven & Poole (1995) in the category of offering alternative paradigms, despite their use of 2 x 2 matrices to reveal the key assumptions underlying their rendition of the literature. Indeed, Whittington used the term perspectives to emphasise how his categories overlapped and might have shaded into each other. Nevertheless, these works have divided the literature according to key conceptual or philosophical dimensions, such as whether they emphasised planned or emergent change. Consequently, since they have emphasised division, they can be considered under this heading.

Since Van de Ven & Poole's (1995) review has been, arguably, the most sophisticated attempt to theorise about organizational change, and they use most of the categories drawn on by other authors, it is best to begin with a description of their work. Their major contribution was to derive ideal types from an extensive review of the literature on organizational change and development. These ideal types, which they subsequently referred to as motors of change, represented long standing intellectual traditions and emphasised "...fundamentally different accounts of the sequence of events that unfold to explain the process of change in an organizational entity" (p. 513).

The four schools or motors of change were:

1. Life Cycle Theory

2. Teleological Theory
3. Dialectical Theory, and
4. Evolutionary Theory

Thus, they argued that life cycle theory in organizational research has been used to explain the development of organizations through different, predetermined stages ranging from birth through to death. Life cycle theorists have usually posited a unilinear sequence of stages that followed a predetermined trajectory because each stage set the conditions for the following one. Thus, for example, innovation theories have analysed the process in terms of needs recognition, research and development, commercialisation, and diffusion and adoption. By contrast, teleological theories of organizational change were based on the philosophy that the aims or purposes are what ultimately guided or determined organizational change, and embraced a wide range of approaches, including functionalism, systems theories, adaptive learning theory, social constructionism and strategic planning and goal setting. These theories assumed that the end states or goals were purposive and adaptive. Thus the entity (usually an organization or subgroup) constructed or envisioned an end state, took purposive action to reach it and monitored progress along the way in a repetitive sequence. One of the key features of teleological theories was that they implied significant degrees of human agency, with individuals having freedom to construct their goals and enact their environments (Weick, 1995)

Dialectical theories, on the other hand, left little room for human agency but were based on the Hegelian notion of progress through thesis, antithesis and synthesis in pluralistic worlds. Organizations engaged in competition for domination and control with the trajectory of change and order determined by reference to the balance of power. From such a perspective there was no guarantee of a creative synthesis; instead antithesis and synthesis represented change for better or for worse. Finally, evolutionary theory was based on the doctrine that change proceeded through a continuous cycle of variation, selection and retention. Thus new forms of organizations emerged on a random basis, selection among them occurred through the competition for scarce resources and the environment selected out those for survival.

Van de Ven & Poole (1995) constructed a meta-theoretical typology of change process theories based on two dimensions (see Figure 1.2). The first dimension was the unit of change, which referred to the nested levels at which change could occur, ranging from single organizations to multiple organizational change. The second dimension was the mode of change, which varied according to whether change was *prescribed* by deterministic or probabilistic laws (first order change) or whether progression was much more *constructed* and a break from the past (second order change). Prescribed change was assumed to be predictable, invariably adaptive, stable and producing variations on a theme. Constructivist change was unprecedented and, in retrospect, discontinuous, thus producing new organizational forms.

Figure 1.2: Process theories of Organizational Change (Adapted from Van de Ven & Poole, 1995)

UNIT of CHANGE	Multiple	<div>EVOLUTION</div> <div>Population scarcity Environmental Selection Competition</div>	<div>DIALECTICAL</div> <div>Pluralism Confrontation Conflict</div>
	Single	<div>LIFE CYCLE</div> <div>Programmatic Regulation Compliant adaption</div>	<div>TELEOLOGICAL</div> <div>Purposeful enactment Social construction Consensus</div>
		Prescribed	Constructive
		MODE of CHANGE	

Wilson's (1992) and Whittington's (1993) classifications of the literature on strategic change follow a similar path to Van de Ven and Poole in using the mode of strategic change – planned change or emergent change – as one of the key dimensions along which to construct their matrices. (It should be obvious that planned change approaches are usually derived from variance theory and, naturally enough, process approaches are derived from process theories and methodologies). Wilson's contribution was to try to locate the work of Pettigrew and his colleagues at the Centre for Corporate Strategy and Change at Warwick University along the process/implementation dimension (e.g. Pettigrew & Whipp, 1991; Ruigrok, Pettigrew, Peck & Whittington, 1999).



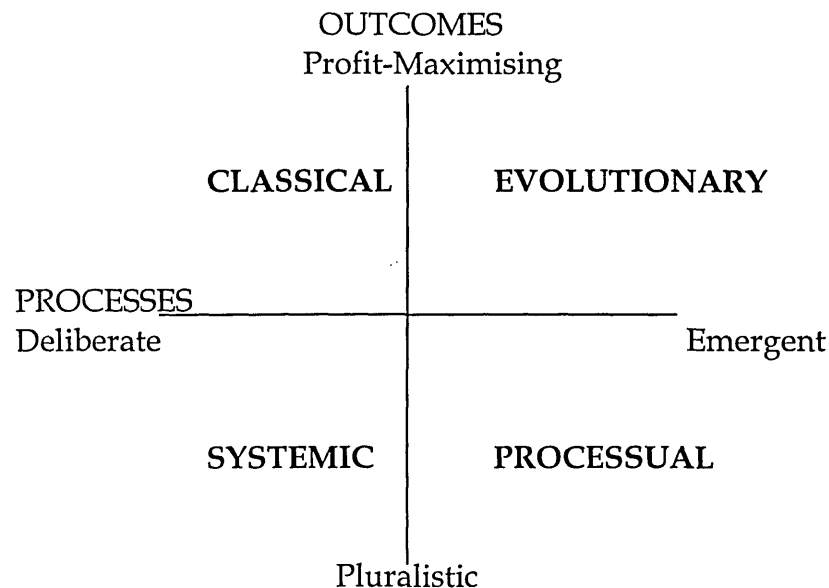
Whilst this work was useful, a problem with Wilson's classification lay in the choice of a second dimension to divide the literature - the formulation (or content) of strategic change or its implementation (see Figure 1.3). As a result, one is left with the impression that his dimensions were not analytically distinct since there is likely to be a strong element of co-variance between the two dimensions.

Figure 1.3 Wilson's (1992) Categorisation of the Change Management Literature

	Process Of change	Implementation of change
Planned Change	Logical incrementalism Various needs, Commitment and shared Values approaches	Reducing resistance to change (e.g. OD)
Emergent Change	Characteristics of strategic decisions. e.g. political process models	Contextualism: Implementation as a function of antecedent factors

Whittington's work, on the other hand, is arguably more useful, particularly in the context of this study since he chose to use the outcomes of strategic change as his second dimension; this time, however, not in a fixed, representationalist sense but more as a characterisation of the nature of change. Thus he divided researchers according to whether they emphasised unitary profit maximising outcome or suggested that the outcomes of strategy were intended to be more pluralist in nature (see Figure 1. 4).

Figure 1.4 Whittington's (1993) classification of the strategic change literature.



(Source, Whittington, 1993, p.3)

However, the perspectival nature of his work (see Figure 1.5) was revealed in his attempts to compare and contrast the literature to answer the following, highly relevant questions: what is the nature of strategy and do managerial attempts to plan strategy have a significant impact on organizational outcomes? He argued that classical and systemic approaches shared the assumption that managerial attempts to plan strategy may be realised but they differed according to the kinds of influences that managers were subjected to in formulating and implementing strategic change. For example, classical accounts emphasised the profit motive whilst systemic accounts emphasised the embeddedness of managerial actions in organizational and national cultures, the social backgrounds of managers, industry contexts, etc. that may result in rational strategy making which has little to do with profit maximising behaviour.

Figure 1.5 The Four Perspectives on Strategy (source: Whittington, 1993, p. 40)

	Classic	Processual	Evolutionary	Systemic
Strategy rationale	Formal	Crafted	Efficient	Embedded
Focus	Internal plans	Internal politics/ cognitions	External (markets)	External (societies)
Process	Analytical	Bargaining/ learning	Darwinian	Social
Key influences	Economics/ military	Psychology	Economics/ biology	Sociology
Key authors	Chandler, Ansoff, Porter	Cyert & March, Mintzberg, Pettigrew	Hannan & Freeman, Williamson	Granovetter, Marris
Key period	1960s	1970s	1980s	1990s

In contrast, the evolutionary assumptions of the popular ecology school have pointed to the implacability and unpredictability of the market environment for managers to be able to anticipate and shape strategies according to their own ends. In effect, markets selected out firms that would survive in a deterministic, Darwinian way. From a different perspective, processual writers agreed that managerial attempts at long term planning had little effect on organizational outcomes as strategic change was much messier, emergent and politically influenced process.

### Descriptive Perspectives

I have argued that despite Whittington's (1993) attempts to claim that he was describing perspectives on strategic change, he came close to offering an incommensurable account of the various schools of thought (see also Scherer, 1998). Three more recent attempts to theorise about the strategic change process that make claims for meta-triangulation or commensurability

are the works of Mintzberg, Ahlstrand & Lampel (1998), Combe (1998) and Rajagopalan & Spreitzer (1996). Rather than using 2 x 2 matrices, these works are characterised by nuanced description and attempts to bring together the various perspectives on strategic change to offer the possibility of integration and dialogue among researchers.

Perhaps the most recent and all-embracing field review of the increasingly voluminous works on strategy and strategic change is by Mintzberg, Ahlstrand & Lampel (1998). They identified ten schools of thought that are outlined in Figure 1.6 below:

Figure 1.6: The Ten Schools (adapted from Mintzberg, Ahlstrand & Lampel, 1998, p. 5)

The Design School	Strategy formation as a process of conception - achieving fit between internal and external factors
The Planning School	Strategy formation as a formal process - focus on planning, objectives, programmes and budgets
The Positioning School	Strategy formation as an analytical process - focusing on industry analysis and generic positions
The Entrepreneurial School	Strategy formation as a visionary process - focusing on leadership and intuition
The Cognitive School	Strategy formation as a mental process - focusing on managerial cognitions at the origins of strategy
The Learning School	Strategy formation as an emergent process - focusing on the emergent formulation – implementation intertwine
The Power School	Strategy formation as a process of negotiation - focusing on the power, conflict and bargaining aspects of strategy making
The Cultural School	Strategy formation as a collective process - focusing on the social and integrated nature of strategy that is rooted in culture
The Environmental School	Strategy formation as a reactive process - focusing on how environmental forces influence and constrain managerial choice
The Configuration School	Strategy formation as a process of transformation - focusing on clusters of strategy, organization and systems and the problems of transformation

Unlike Whittington (1993), however, these writers make no systematic attempt to relate these schools to their ontological, epistemological or methodological origins: instead they have written their review for the benefit of practitioners and students in a jargon-free fashion. Whilst this objective is laudable and their book is something of a *tour de force* in bringing together recent diverse literature, it is, arguably, less helpful to researchers who wish to theorise about the process of strategic change to produce testable variance theories or more fine grained, process theories.

Perhaps anticipating this criticism, these writers have taken their practitioner and puzzle solving orientation further by attempting to reconcile these perspectives in a theoretical model. Thus Mintzberg & Lampel (1999) have argued that the entrenched positions taken by some academic researchers in this field provide little service to practising managers (see also Keys & Fulmer, 1999) and welcomed attempts to integrate certain of these findings and prescriptions of these school. For example, “resource-based” theory (Barney, 1986; Prahalad & Hamel, 1990) has made use of the cultural and learning schools (Scarborough, Swan & Preston, 1998; Krogh & von Roos, 1998), transformational change proponents (Pfeffer, 1994; Kotter & Heskett, 1992; Tichy & DeVanna, 1986;) have drawn from the configuration, culture and entrepreneurial schools, whilst institutional theorists (Kostova, 1999; Scott, 1995; Tolbert & Zucker, 1996) have borrowed ideas from the environmental, power and cognitive schools.

However, like Wilson (1992), they speculated that the various schools were logically linked to different stages or processes in strategy formation. For example, the focus on learning may be more appropriate under conditions where organizations are in dynamic environments with planning and forecasting a near impossibility, or the focus on individual managerial cognitions may be more appropriate in small firms than in large, bureaucratic organizations which may be governed more by power and politics or strong corporate cultures. Thus, they argued that the schools scatter along a plot circumscribed by two dimensions: states of internal processes and states of the external world. The implications of such a plot are that the outcomes of strategic change will be linked to the appropriate choice or combination of processes and should not to be driven to the illogical extreme of any one school, e.g. the potential for drift and lack of control associated with illogical attachment to organizational learning or, conversely, the fixation or ritualistic behaviour associated with an over-attachment to the design and planning schools.

One of the most rigorous and parsimonious attempts to provide an integrative framework of strategic change was developed by Rajagopalan & Spreitzer (1996)<sup>2</sup> in the US. Their definition of strategic change (see earlier discussion in this chapter) and rendition of the literature leads them to consider three “lenses”: the rational, learning and cognitive perspectives.

They defined the rational lens perspective as “a sequential, planned search for optimal solutions for well defined problems” (p. 50) whereby

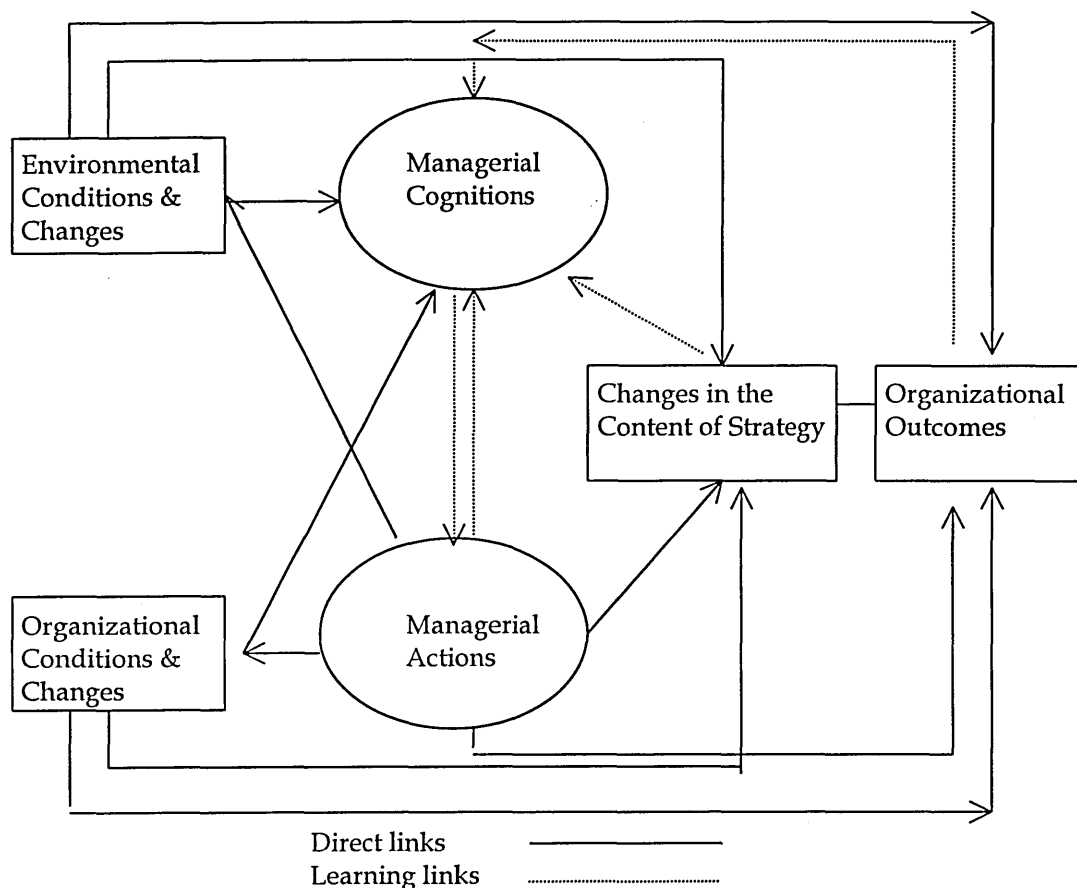
*environmental* conditions and changes and *organizational* conditions and changes were seen to influence changes in the *content* of strategy which, in turn, were reciprocally related to organizational *outcomes*. In contrast, the learning lens perspective saw strategic change as an iterative process designed to probe the organization and its environment. From this perspective *managerial actions* have been accorded a key role in interpreting, shaping and choosing the environment, organizational context and strategic change content. Finally, the cognitive lens perspective has focused on the *managerial cognitions* – knowledge structures, core beliefs and values, interpretive schemas and cognitive maps – in enacting the environmental/organizational contexts and in influencing the content and outcomes of strategic change.

Rajagopalan & Spreitzer's (1996) theoretical framework (see Figure 1.7 below) represents an important step forward in reconciling three of the major schools and, in providing an essentially variance theory of change, it went further than other reviews in highlighting some testable links among the key variables identified in the preceding paragraph.

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<sup>2</sup> This work won one of the 1996 Academy of Management's best paper awards.

Figure 1.7: Rajagopalan & Spreitzer's (1996) Multi-Lens Framework for Understanding Strategic Change.



Their claim is that the integrative framework helps (a) to explain why different organizations respond differently to a similar context because of different cognitions and actions, (b) to show how organizations can influence their adaptations to environmental and organizational contexts through managerial choice and actions, and (c) to show how managers can learn during the strategic change process. Moreover, they highlighted three critical managerial processes that influenced organizational outcomes. The first was how managerial actions aimed at overcoming organizational inertia and resistance during the change process could ensure that strategic changes were actually realised. Second, that managerial actions aimed at building



environmental support, for example by creating external networks, could enhance the range of options available to organizations. Third, that managers who learn from initial problems during the change process and then use that learning to alter their cognitions and actions were more likely to make choices that resulted in desirable organizational outcomes.

Rajagopalan & Spreitzer's (1996) multi-lens framework, in serving the interests of parsimony, has some real strengths, in that the authors are able to produce a testable model of the variables that are associated with strategic change and organizational outcomes. However, their framework has some weaknesses, particularly because their model neglects or plays down some key influences on strategic change, as described by Whittington (1993), Van de Ven and Poole's (1995) and Mintzberg, Ahlstrand and Lampel's (1998) field review. Although they were able to make a case for including a number of the approaches or schools of thought previously identified, there is, for example, a near-exclusive focus on management actions and cognitions. In doing so, they have neglected to deal with some key aspects of strategic change. First, they have not fully addressed the problem of different levels of analysis in organizational research, particularly in failing to specify different levels of management, so important to organizational change research in multinational enterprises (Ferner & Edwards, 1995). Second, they have neglected or played down the role of perceptions and values (Hatch, 1993), the role of organizational discourse (Keenoy, Oswick & Grant, 1997), and power and resistance among employees (Dawson, 1994) in producing

organizational outcomes. Third, there is a surprising lack of reference to the findings of the contextualist approaches of Pettigrew (1995) and others, and the business systems and international comparative literature (Whitley, 1992; Guillen, 1998). These works have pointed out how strategy and the trajectories of change are deeply embedded in changing historical inner and outer contexts (Pettigrew, 1985; Pettigrew & Whipp, 1991), business systems, as defined by the interplay among market structures, firm organization and authority systems (Whitley, 1992), and the institutional and cultural factors specific to particular societies (Guillen, 1998). Fourth, their model, whilst sympathetic to the notion of change through their incorporation of the learning lens, fails to signify to the reader a real sense of dynamism and “changefulness” (Chia, 1999). Instead it conveys an impression of change being more about content and certain aspects of context and variable “states” rather than processes such as events, activities, choices and emotions. Thus, for their model to be more useful to academics and practitioners, there is a need to develop it by teasing out some of the contributions of other perspectives and highlighting, in a more direct fashion, the links between these perspectives and changing organizational outcomes.

Finally, in this review of descriptive perspectives, a recent and much more inclusive and holistic attempt to provide an integrative framework has been developed by Combe (1998). His paper is one of the few to acknowledge the fundamental problem of paradigm incommensurability at the philosophical and meta-theoretical level (Burrell, 1999) but he nevertheless

attempted to reconcile the researchers' need for rigour with practitioners' needs to borrow from alternative theories and perspectives by developing a descriptive profiling of five schools of thought. In doing so, he has gone beyond Mintzberg, Ahlstrand and Lampel's (1998) descriptive field review by relating his schools to their philosophical roots and beyond the more reductionist approach of Rajagopalan & Spreitzer (1996) by considering some of the newer and more interesting approaches such as postmodernism, institutional theory and chaos theory.

His five schools of thought are rationalism/cognitivism, developmentalism, determinism, probabilism and chaos, the essential features and sub-schools of which are set out in Figures 1.8 and 1.9 below.

Figure 1.8: The Features of the Five Schools of Thought (adapted from Combe, 1998)

School of Thought	Key Features and Associated Writers
Rationalism/cognitivism	Emphasis on the brain's capability to receive and organize information in a rationale way, to analyse, simplify and predict for planning and design of strategy (Ansoff, 1965; Porter, 1980)
Developmentalism	Emphasis on individual and organizational learning. Main focus on knowledge creation, internal resources and capabilities (Nonaka & Tagueuchi, 1995; Hamel and Prahalad, 1990)
Determinism	Emphasis on either <i>internal</i> or <i>external</i> determinism or a balance of both. Management seen to have only a limited role in shaping strategic change and long term survival (Hannan & Freeman, 1984; Donaldson, 1996; Scott, 1995)
Probabilism	Emphasis on complexity and interaction and on the dynamic interactive nature of competitive environment (Pettigrew and Whipp, 1991; Whittington, 1993; Dawson, 1994; Clark & Mueller, 1996; Whitely, 1993)
Chaos	Focus on chaotic and unpredictable nature of external environment and consumers and the need for creativity, reactive speed and organizational ideologies that create appearance of order (Barry & Elmes, 1997; Kilduff and Mehra, 1997; Stacey, 1993; Chia, 1995; Morgan, 1993)

Along with Mintzberg, Ahlstrand and Lampel's (1998) work, Combe's contribution has been to provide an inclusive review of the strategic change literature. However, this work it is not without its problems. The first of these is that, in his attempts to reduce the domains or schools to five, arguably he has conflated the "unconflatable". So for example, his attempts to identify common philosophical and perspectival roots for rationalism and cognitivism are strained to say the least. Here, Rajagopalan & Spreitzer's (1996) work is particularly relevant in pointing out the theoretical and practical differences

between these two schools. Similarly, Combe's attempted parsimony in combining chaos theory (Stacey, 1992; Crossan, White, Lane & Klus, 1996) and the increasingly influential postmodernist contributions to the strategic change literature do a disservice to both. Particularly in the UK and Europe and, increasingly, in the US, postmodern writing and the "linguistic turn" have demonstrated the performativity of speech and texts in strategic change (Ford & Ford, 1995), a powerful critique of meta-narratives in management (Martin, 1992) and a consideration of strategy as self-serving ideology or strategic discourses in the service of power (Alvesson & Deetz, 1999; Barry & Elmes, 1997; Burrell, 1999; Clegg, Hardy & Nord, 1996; Chia, 1995; Du Gay, 1996; Kilduff & Mehra, 1997; Martin & Frost, 1999). Linked to this is Combe's failure to explicitly consider the role of power (Pettigrew, 1985; Dawson, 1994) and the politics of resistance (Collins, 1998; Dawson, 1994; Jermier, Knights & Nord, 1996; MacKinlay & Starkey, 1997) as offering a significant contribution as to why strategic change may work or fail. Finally, he has neglected to explicitly recognise the increasingly-important contribution of institutional theory to strategic management as an antidote to rationalism in producing generic strategies (Abrahamson, 1997; DiMaggio & Powell, 1991; Scott, 1995; Tolbert & Zucker, 1996).

In summing up the literature and argument this far, my position is that multi-paradigm accounts provide the best way forward in developing a theory of strategic change; but none of the attempts at metatriangulation discussed in this chapter captures the full complexity of the strategic change

process, nor do they incorporate all of the potentially relevant bodies of literature that might contribute to a study of the strategic change process. To be fair to most of these works, they had classification of the literature in this area as their prime objective, and not providing an all-embracing theory of the strategic change process. The only one of these works that had such an objective in mind was the analysis of Rajagopalan & Spreitzer (1996). Thus, for the purposes of this thesis and for theory in the field of strategic change generally, I believe that their framework has provided the best route for researching strategic change and its links to changing organizational outcomes

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to researchers, has provided a useful framework for empirical work. Nevertheless, it has some limitations, being perhaps too parsimonious and exclusive. Inevitably, however, if one wishes to be more inclusive of the different schools or perspectives, this will lead to greater complexification (Chia, 1995) and, thus, to more difficulty in grasping the practical consequences of expanded models. For example, their work has already specified twenty links between key variables; the risk of adding more is not without some negative consequences. As Weick (1999, p. 801) has argued on the trade-offs in theory building, "...general- accurate explanations say everything about everything but are often unintelligible".

Bearing in mind this risk, as the previous discussion of the literature has indicated, there are three directions in which Rajagopalan and Spreitzer's (1996) model could be amended and developed to make it more relevant for researchers and more actionable for practitioners. First, it could be expanded to accommodate different levels of macro and micro managerial actions and cognitions (Klein, Tosi & Cannella Jr, 1999) and their recursive nature, especially for research into MNE's and large firms (Kostova, 1999). Second, it could be developed by articulating a more processual epistemology (Chia, 1999): thus certain key features of the contextualist/processual school (Pettigrew, 1995, Dawson, 1994) could be incorporated, particularly the pattern of events, activities, key decisions and emotions that are associated with shaping successful strategic change and the notion of objective and subjective time. These developments would help answer the question set out

at the beginning of the chapter and other problems generated by the study of change. For example, how are managerial cognitions and actions translated into changes in the content of strategy and what are the implications of time? Or how can one explain how and why changes in senior management changes in the content of strategy might be resisted or deflected to produce unintentional outcomes? Yet another question that is often asked is: over what period of time is it reasonable to expect major cultural changes to become embedded in the organization (Zaheer, Albert & Zaheer, 1999). Third, the model could incorporate the findings of other important lenses that are consistent with process thinking, particularly those that might help explain the diverse or fragmented nature of managerial cognitions and actions and the working out of conflict that often arises as a consequence of strategic change initiatives.

Thus, in addition to the contextualist/processual frameworks of Pettigrew (1985; 1995) and Dawson (1994; 1999, August), my reading of the literature points to at least three strands of research that are relevant to the questions addressed in this chapter. These are:

- (a) the increasingly popular “narrative turn” to considering the role of organizational discourse in the strategic management process (Barry & Elmes, 1997; Dahler-Larsen, 1997; Ford & Ford, 1995; Hardy, 1994; Keenoy, Grant & Oswick, 1997; Kilduff & Mehra, 1997; Pentland, 1999),
- (b) the “cultural turn” as represented by the social anthropological



studies of organizational culture change by Bate (1994; 1996), Hatch (1993) and Martin (1992), and

(c) the contribution of institutional theory to organizational studies (Kostova, 1999; Rowlinson, 1997; Scott, 1992; Tolbert & Zucker, 1996).

### Contextual/Processual Frameworks and the Contribution of Organizational Discourse, the “Cultural Turn” and Institutional Theory

#### Contextual/Processual Frameworks.

As Rajagopalan & Spreitzer (1996) have acknowledged, the process school has made a major contribution to understanding strategic change by focusing on the role of senior managers in shaping strategic change and in locating change in context. This research has drawn on retrospective and real time longitudinal case study research with good examples including Pettigrew (1985), Pettigrew & Whipp (1991), Pettigrew, Ferlie & McKee (1992) and Dawson (1994; 1999, August). The four key elements of contextual and processual thinking have been summarised by Pettigrew (1995). They are (a) the interconnectedness of different levels of analysis, e.g. the economic, industrial and organizational levels or the inner and outer contexts (Pettigrew & Whipp, 1999) (b) temporal interconnectedness - locating change in time past, present and future, (c) the dynamic interplay of context and managerial actions, and (d) the recursive and multiple nature of causes and effects.

In elaborating on certain of these ideas, Dawson's (1994) more processual framework for understanding organizational change has been

helpful, particularly in simplifying what is potentially a complex form of analysis and explanation. Dawson located the substance of change, the politics of change and the context of change in a temporal framework and, most usefully, identified three general timeframes – the conceptual stage of the need to change, the transition stage and the emergence of new organizational arrangements – as time points for data collection in the analysis of change. Whilst accepting that such an attempt to simplify time and movement may be inconsistent with certain versions of process thinking (see, for example, the position of Chia, 1999), the identification of stages provides periods of relative stability or “punctuated equilibrium” (Van de Ven, 1987) around which to gather data and focus analysis. In doing so, it balances the trade-off between oversimplification and overcomplication in theory development.

#### Organizational Discourse and the "Cultural Turn".

Whilst contextualism and the introduction of time have been important in developing more refined process theories of change, a new direction in such research is also beginning to emerge that incorporates ideas drawn from organizational anthropology, organizational discourse and institutional theory. Here, Hatch’s (1993) work on culture is excellent example of such newer process thinking. In developing Schein’s (1985) well-known model of culture change, she has produced a symbolic interpretivist account of the dynamics of culture change that involves four processes – manifestation,

realization, interpretation and symbolization<sup>3</sup> - which link the translation of organizational assumptions into values and artifacts and vice versa. For the purposes of this literature review it is not these processes in and of themselves that are so important but more the means by which they are made actionable or are revealed. Thus, as Hatch has pointed out, they rely heavily on sensemaking through managerial cognitions and perceptions and emotional work and on the creation of artifacts (the visible, tangible and audible “remains” of behaviour) through *storytelling* and *organizational discourse*.

Organizational discourse has been used in different ways in the literature (Keenoy, Osrick & Grant, 1997). The first use is as a *methodological device* for making sense of organizational “texts” or stories (Pentland, 1999), whilst the second use has more *political* connotations, in which organizations can be seen as dominant, usually senior management, monologues or as competing dialogues among groups in the struggle for dominance and survival (Calas & Smircich, 1999). Two, particularly interesting contributions to the literature on change that draw on organizational discourse as a method of analysis and as a political device are by Barry & Elmes (1997) and Ford & Ford (1995). Barry & Elmes (1997) have likened strategy content as a *story* in which the interplay between the text, the “author (s)” (initiators of the text)

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<sup>2</sup> Manifestation refers to any process by which assumptions reveal themselves, usually via senses but also by cognitions and emotions.

Realization refers to the process in which values are translated into artifacts, usually through stories, rituals, rites and physical objects.

Symbolization refers to the process by which artifacts are given meaning beyond their tangible form.

Interpretation refers to the process by which the meaning of an artifact or symbol is either

and the characteristics of the “readership” (receivers of the text) shape the acceptance of strategic messages. Two key factors involved in such positive reception of strategic changes are the *credibility* and *novelty* of the story. Their analysis has pointed to the importance of appropriate linguistic or rhetorical devices in the process of creating successful strategic change; and, conversely, the negative consequences of inappropriate ones. The most important of these are outlined in Figure 1.10 below:

Figure 1.10 Rhetorical devices in strategic management

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1. “materiality” - the extent to which the strategy is formalised and takes a tangible form,
  2. “voice” - the use of impersonal or personal narratives and the impact that has on the “readers” of the story,
  3. “ordering of the plot” - the ordering of a narrative to create particular impressions,
  4. the “target” readership - matching the message against the backgrounds and experiences that readers bring to the story, and
  5. the “style” of narrative - the way in which the style of storytelling is used to appeal to current the tastes and fashions of readers (e.g. epic or technofuturist).
- 

Following a similar path, Ford & Ford (1995) have argued that organizational communications and language are not merely tools or reporting devices to be used in the change process but that “change in a phenomenon occurs *in* communication” (p. 542) (my emphasis). In other words, they argue that change is a recursive process that is socially constituted through “speech acts”, broadly defined to include the symbols, theatrics and artifacts that accompany performative stories about change. Speech acts can range from individual conversations among managers to strategic narratives that are used to create change. They proposed four

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prospectively or retrospectively established.

different combinations of speech acts that correspond to four types of conversations which produce intentional change. These are described in Figure 1.11 below.

Figure 1.11: Four Types of Change Conversations (based on Ford & Ford, 1995)

Type of conversation	Characteristics
<i>Initiative</i> conversations that start the change	focuses on the assertions, directives, promises and declarations that shapes the listeners' attention on what should be done
<i>Understanding</i> conversations to test reality and generate involvement	focuses on claims, evidence, hypotheses and determination of cause and effect relations to comprehend what should be done, what will result from actions and to secure involvement
<i>Performance</i> conversations to generate action	focuses on the networks of speech acts (promises and directives) that are intended to produce results
<i>Closure</i> conversations	characterised by assertions, expressives and declarations designed to signify the completion of the change, successful or unsuccessful

Ford & Ford (1995) have suggested that breakdowns in the change process occur if managers believe that "talk is cheap" and do not believe that, in using language, one is creating and performing change (the performativity of speech acts), not merely representing or reporting it. The implications are that change and communications are recursively related; strategic change is both created and driven by particular forms of speech acts. Thus, they argue, talk is neither cheap nor inconsequential but that managerial communications or discourse lie at the heart of managerial cognitions and actions and that new directions of change are produced by new speech acts or speech that has not previously occurred. Moreover, change results from creating and shifting whole conversations, not merely educating people in the need for and technicalities of change.

Continuing with this theme, Bate's (1994) anthropological research into organizational culture change has shown how strategic conversations or narratives can be evaluated. He has set out five "design parameters" that should be taken into account when implementing and evaluating culture change. These are the ability of the approach (a) to expressing a core idea that engages peoples' feelings, (b) to create a universal set of shared values, (c) to penetrate deep into the organization, (d) to adjust to different circumstances, and (e) to endure the test of time (see also, Huy, 1999, on the role of emotional capability and intelligence).

### Institutional Theory

These ideas can be linked to the to the writing of Kostova (1999), who has used institutional theory to produce a framework for analysing best practice transfer in MNE's, a dominant type of strategic change programme, and to the work of the institutional theorists, Tolbert and Zucker (1996), who also appeared to have embraced the linguistic turn in their modelling of the *institutionalisation* of innovation and change.

Beginning with Kostova's work, she has pointed to the successful transfer of best practice being embedded in three levels of context relevant to MNE research. Mirroring the contextualist approach of Pettigrew (1995), these are the social or country level context, the organizational level context, and most pertinently, for this review, the relational context. This work is relevant in theorising about change and in amending Rajagopalan and Spreitzer's (1996) model because it raises the issue of different levels of

analysis and sets them out as contextual variables. For example, Kostova (1999) has pointed out how the social context, represented by the institutional distance between the regulatory, normative and cognitive systems of parent and subsidiary units in MNEs, has a major influence on the transfer of practices between corporate headquarters and their recipient units. At a organizational level, the compatibility of existing practices and favourability for learning of the subsidiary unit can also have a major influence on best practice transfer. However, it is the lowest level of these contexts that is most interesting in developing a general theory of change because it remedies one of the omissions in the Rajagopalan & Spreitzer model by highlighting the dependence of the success of change on power relations in the corporation among different levels of management, including the degree of dependence on corporate management for resources, trust in senior management and the sense of shared identity and commitment by lower levels of management and employees to senior management aims.

If Kostova's work has been useful in fleshing out some of the contextual variables, Tolbert & Zucker's (1996) contribution has been to map out the beginnings of a process theory of change, in describing three sequential processes in the formation of institutions that closely match Dawson's (1994) three time frames for data collection. These processes are: (a) *habitualization*, which involves the adoption or imitation of new arrangements to meet specific problems, (b) *objectification*, which involves the development of social consensus concerning the value of these new

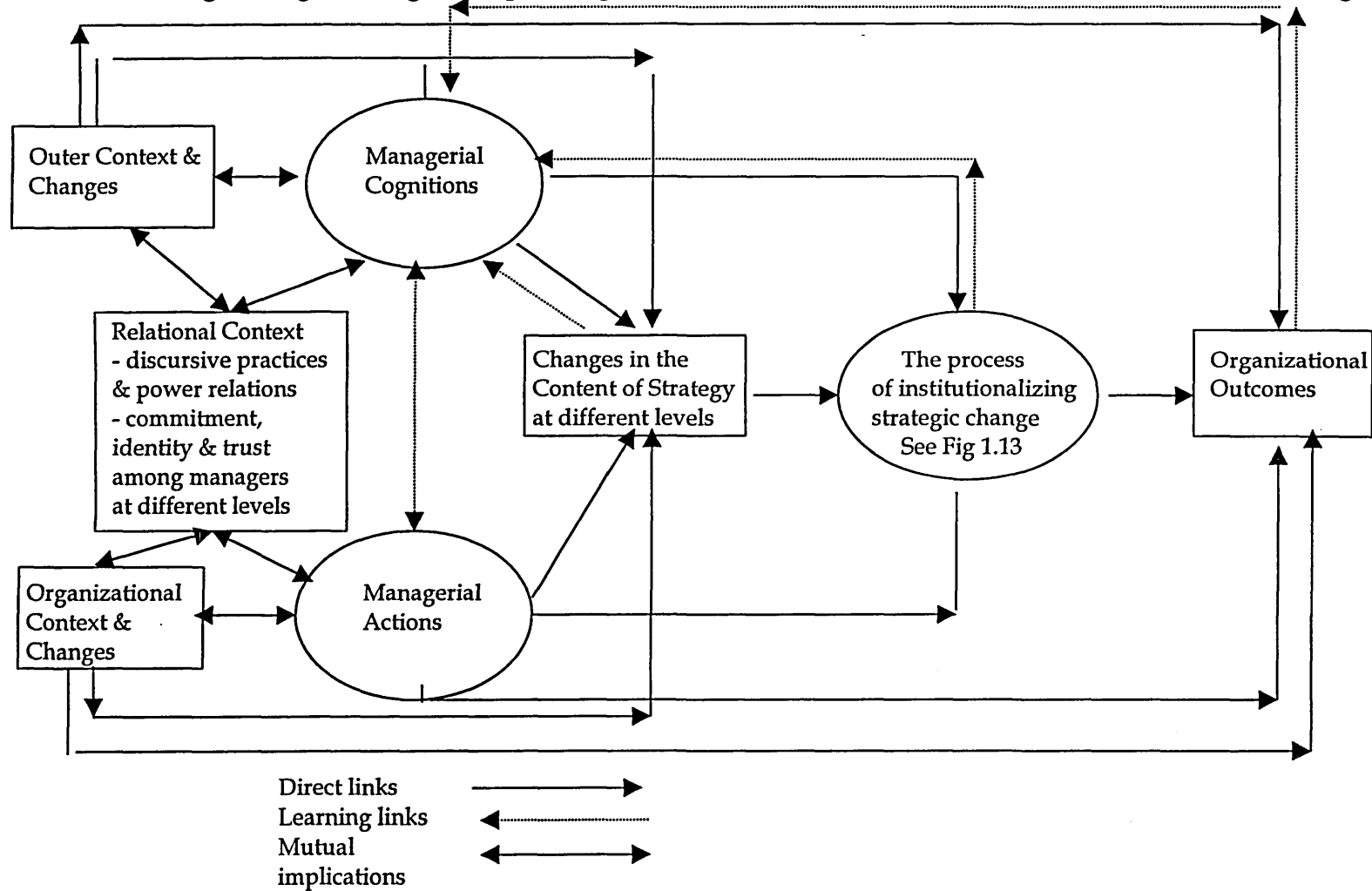
arrangements to the organization, and (c) *sedimentation*, which is required for full institutionalisation and is characterised by the widespread perpetuation of new institutional arrangements over a period of time. Tolbert and Zucker have also pointed to important factors such as the role of “champions” in “theorising” new structures and interest group resistance and advocacy in evaluating these structures.

### A Model of Strategic Change

Thus, by drawing on certain of these ideas and propositions from contextualist/process models, organizational discourse and culture, and institutional theory, we can amend and develop Rajagopalan & Spreitzer's (1996) model in two directions to produce a more accurate and general model of the strategic change process. The first direction (see Figure 1.12 ) is by treating their environmental conditions and organizational conditions as different levels of contextual variables broadly in line with Pettigrew's (1995) inner and outer contexts and, following Kostova (1999), adding a third - the relational context and a fourth - the social context - so obviously necessary to understanding change in MNEs. As discussed earlier – *and this point is a key amendment to their thesis* – different levels of managerial actions and cognitions are embedded in a context of power relations and organizational discourse, trust relations and affective attitudes such as commitment to organizational aims. This relational context is at the heart of all of the various links between the inner and outer contexts of change and managerial cognitions and actions (see Figure 1.12)



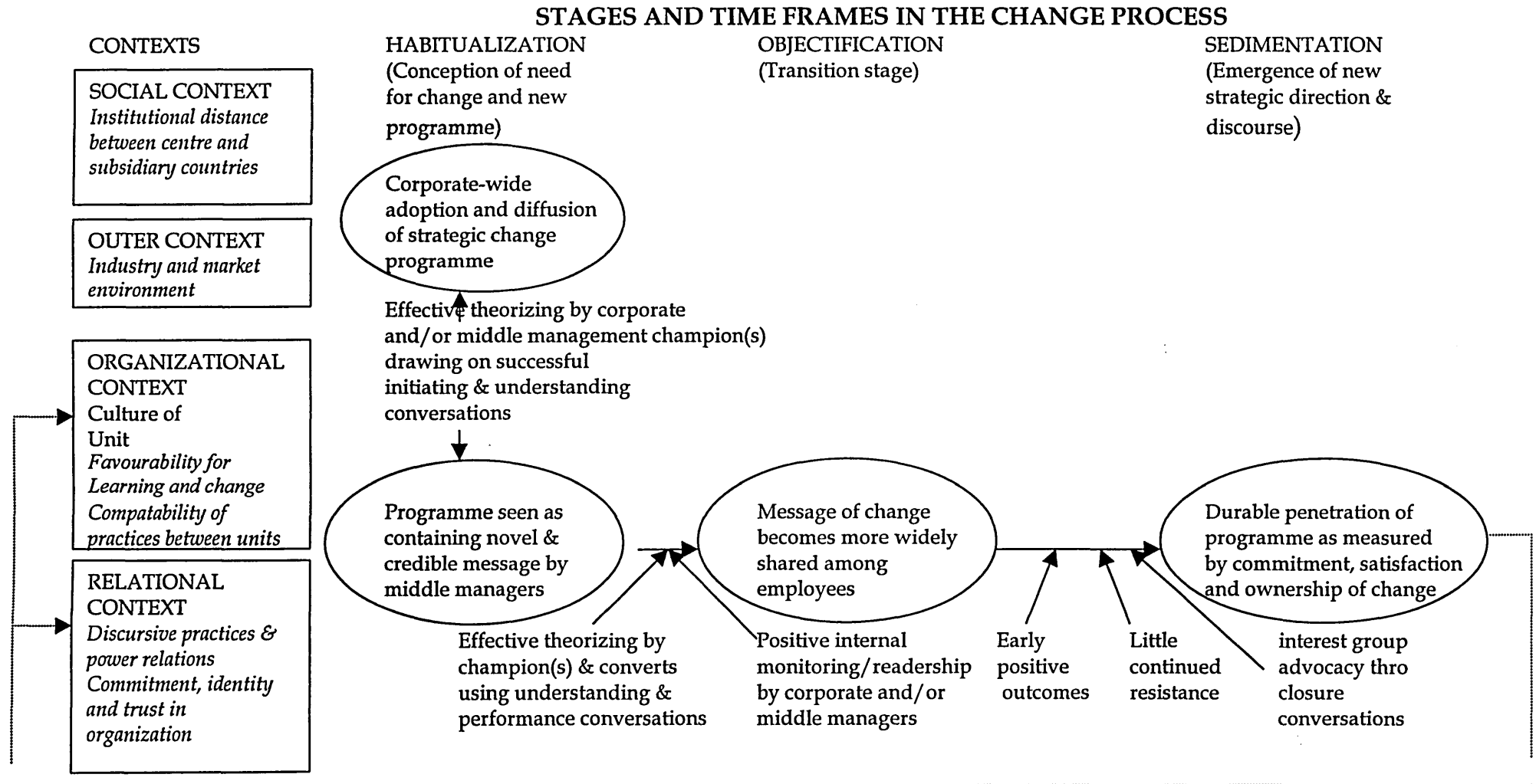
Figure 1.12: An Extended and Amended Version of Rajagopalan & Spreitzer's (1996) Multi-Lens Framework for Understanding Strategic Change incorporating the Relational Context and the Process of Institutionalizing Strategic Change.



The second direction (see Figure 1.13) – and the major contribution of this thesis - is to address the most obvious weakness of Rajagopalan and Spreitzer (1996) by incorporating a process model of the institutionalization of change into the direct link they made between changes in the content of strategy and changes in organizational outcomes. It should be noted, however, in the interests of the trade-off between accuracy and simplification, what is set out in Figure 1.13 is an idealised process theory of successful change that is unlikely to be achieved in reality. This framework's real contribution to the literature is to highlight the complex set of events, activities, discursive practices, emotions and reactions, etc. that help answer the general question addressed in this thesis: what would be needed to embed strategic change in most organizations. Given the idealised nature of the process, it also helps us understand why most change initiatives result in a "mixed bag" of outcomes, rarely ever being fully successful (however that may be defined) or a total failure. As Goodman & Deane (1992) have pointed out:

"This language clouds the crucial issue of representing and explaining degrees or levels of institutionalization. Most of the organizational cases we have reviewed cannot be described by simple labels of success or failure. Rather we find various degrees of institutionalization" (p. 229).

**Figure 1.13: Integrating Institutional theory and Strategic Discourse to Produce a Process Model of the Institutionalization of Strategic Change (based on Barry & Elmes, 1997; Kostova, 1999; Ford & Ford, 1996; Tolbert & Zucker, 1996)**



This process model of the strategic change process set out in Figure 1.13, incorporating the contextual variables set out in Figure 1.12, can be used as the basis for more complex theory building and to generate hypotheses or propositions about the likely success of change strategies. Without elaborating in great detail, it may help academic and practitioner readers to better understand the model if the key contextual features and propositions emanating from the processual aspects of the framework were explained, especially where they map on to or draw on some of the concepts and data in the articles discussed in Chapter 2 of this thesis.

First, the stress on the contextual embeddedness of change has been laboured throughout this thesis, especially the importance of receptive contexts for change (Pettigrew, Ferlie & McKee, 1992). Following the framework in Figure 1.12 and my earlier discussion of Kostava's (1999) work on MNEs, four levels of context have been identified – the social, the outer organizational context, the inner organizational context and the relational context. It is important to note that the process aspects of the model – the various stages, patterns of events and communicative practices – are embedded in these changing contexts over time. In addition, there is an important feedback process, in which the outcomes of strategic changes, particularly changes in employee psychological contracts, their capacity to change and their favourability towards change loops back into current and future contexts

Second, using the three-stage framework of the model, some of the key

propositions generated by the processual aspects of the model are as follows:

### The Conception Stage

Proposition 1. Without effective theorizing through convincing organizational discourse by credible corporate or mid-level management champions, corporate-wide adoption and diffusion of strategic change initiatives is unlikely to progress beyond the conception stage. As Pettigrew (1998) has argued, major doubts concerning the need for any form or degree of change are likely to exist throughout the organization, since people take a personal view of change – the “what’s in it for me” syndrome – and failure to deal with these doubts at the outset may strangle an initiative at birth. Arguably therefore, the first and key role of champions of change is to “theorize new structures” (Tolbert & Zucker, 1996) by constructing a credible and novel strategy. This visionary or entrepreneurial perspective (Minzberg, Ahstrand & Lampel, 1998) in the literature on strategic change is an important line of enquiry, particularly that strand of it which links transformational leadership to transformational changes (Bass, 1990; Dunphy & Stace, 1993). However, as a number of researchers have also pointed out, the inappropriate choice of a credible champion and/ or their early departure from the process can lead to extremely negative consequences (Martin & Beaumont, 1999; Martin & Beaumont, forthcoming; Pettigrew, 1985, Tichy & DeVanna, 1990)

Proposition 2. Such discourse and stories generated by champions should draw on realistic initiative and understanding conversations,

including those that enhance the credibility and novelty of the assertions, declarations and promises made at the outset, the rationale and evidence used to support these assertions, etc., and the actions and benefits that will result from achieving the changes. Ford & Ford (1995) argued that change relies on successful initiative conversations, which propose or call for new directions by setting out the dangers of existing ones and promising new futures. Such conversations have to be supported by understanding conversations that examine the evidence for change, generate a common understanding and a shared context for mutual learning among managers. There is a substantial body of argument and evidence that has pointed to the negative effects of creating unrealistic expectations through major exercises in communications and consciousness-raising (see, for example, Martin, Beaumont & Staines, 1998). These negative effects may lead to breach or violation of psychological contracts (Martin, Staines & Pate, 1998) and increased future cynicism about further change initiatives (Martin, Pate & McGoldrick, 1999).

Proposition 3. The messages of change as set out by the champions has to be read as containing a credible and novel message by lower level managers to secure their conversion to the "cause". Securing the commitment and advocacy of the majority of lower-level managers through credible and novel strategic stories is usually seen as essential to the change process (Martin & Beaumont, 1998; 1999; Martin & Beaumont, forthcoming). Credibility and novelty, as Barry and Elmes (1997) have pointed out, is

enhanced by the materiality of the story, the use of personal voice to deliver the message, the ordering of the plot, matching the story against the readership's expectations and experiences and using a style of narrative that appeals to the readership. Failure to deliver credible and novel messages is sometimes a feature of corporate change initiatives in MNEs (Martin & Beaumont, 1999; Martin, Beaumont & Pate, forthcoming). Moreover, middle managers can and do exercise considerable influence in the further diffusion of the change initiatives in the way in which they comply with or resist the message (Martin & Beaumont, 1999).

#### The Transition Stage

Proposition 4. In the absence of a credible and novel message, other corporate and middle managers not yet involved in the change process are unlikely to have the incentive to read the story in a positive light and may look for reasons as to why the changes should be discontinued, resisted or ignored. A critical prerequisite to successful change is the extent to which management throughout the organization have the incentive and ability to implement changes (Beaumont & Martin, 1997; Martin & Beaumont, 1998; Martin & Beaumont, forthcoming). For example, Schoenberger (1997) has recently argued that strategic changes that threaten managers positions and control over resources also threaten their sense of identity. She links this concept of identity to their social asset structure that "only have (sic) a guaranteed value in the circumstances which produced them and risk being

devalued in different contexts" (p. 145). According to Schoenberger, the tensions created by external forces and managers loss of identity and threats to their asset structure are key factors that explain why obviously necessary (in hindsight) strategic changes were resisted or foreclosed in some well-known examples of failed strategic changes in US firms.

Proposition 5. For the new discourse of change and its material realities to become more widely shared by employees at all levels in the organization, the champions of change, aided by their middle management converts, have to continue to draw on new understanding conversations and promises or directives that will engage or compel most employees to accept strategic change. Pettigrew (1985, 1998) has argued that approaches to change that rely on a relatively exclusive leadership team and cadre of converted managers may fail because they are likely to become inward focused zealots with their own esoteric language that is repellent to the majority of employees. This problem is sometimes associated with the using project teams to diffuse change. Martin, Beaumont & Staines (1998) and Martin & Beaumont (1999) have shown how culture change programmes in a Scottish local authority and in a Scottish subsidiary of a major US multinational have failed, largely because of the failure of change champions and middle management converts to continue to create widespread understanding and a receptive context for the change process. Thus continued efforts at generating understanding have been seen as essential in driving down change "into the bowels of the organization" (Pettigrew & Whipp, 1991).



Proposition 6. For change to progress towards the sedimentation stage, there has to be evidence and publicity of “early wins” for managers and evidence and publicity of positive outcomes for the majority of employees.

Most of the literature on successful change highlights the importance of early wins for managers through creating “islands of progress” (Beer, Eisenstadt & Spector, 1990; Pettigrew, 1998). This may be best achieved through more focused or limited attempts at change that can act as a form of positive publicity for system-wide transformation. Similarly, rewards and recognition for changed attitudes and behaviours are often seen as essential to embed widespread change in organizations (Pettigrew, 1998), since employees are unlikely to be persuaded by rhetoric alone (Martin & Riddell, 1996; Martin, Beaumont & Staines, 1998).

Proposition 7. The champions of change have to continue to embed change in the organization by drawing on closure conversations intended to signify the success of these intermediate positive outcomes.

One of the key maxims in the change literature is that “facts do not speak for themselves” but have to be interpreted for and communicated to managers and employees throughout the organization. As Ford & Ford (1995) have noted, closure conversations are essential to allow everyone involved in the change process to leave events behind. Managers and employees have to disengage from the past, let go what no longer works and embrace attitudes and behaviours that are appropriate to the future. Acknowledgement of these can involve celebrations of success and also conversations that stress how the changes

made create new possibilities and new futures. However, as Martin & Beaumont (1999) and Martin and Beaumont (forthcoming) have found out, premature closure conversations, in circumstances where past practices have not been devalued or else have found to work by lower level managers and employees, can have the opposite effect of what was intended.

### The Emergence of a New Strategic Discourse

Proposition 8. The extent to which strategic change is embedded in the organization can be measured by the degree of penetration and durability of changes in the attitudinal and behavioural dimensions of the outcomes of employee psychological contracts. As discussed earlier, Bate (1994; 1996) has put forward a number of criteria that can be used to measure the extent of change, two of which are especially relevant in assessing the degree of institutionalization or embeddedness of change in organizations. These are the degree of penetration into the organization and the durability or permanence of the new forms of strategic discourse, relationships and/or structures. From the perspective of employees, the extent to which such changes are apparent can be measured by the outcomes of psychological contracts (Guest, 1997), including changed attitudes and behaviours. Moreover, one of the key outcomes of changed psychological contracts is the capacity and willingness of individuals to engage in future change initiatives (Martin, Staines & Pate, (1998; Martin, Pate & McGoldrick, 1999; Pettigrew & Whipp, 1991). In this sense the degree of embeddedness of strategic change

creates a feedback loop into current and future organizational and relational contexts.

## CONCLUSIONS

This chapter has addressed the general question of what it takes to embed strategic change in an organization. In answering the question, I reviewed the extant literature on strategic change, and in the process, made a claim for practical or actionable theory (Argyris, 1999) that is reflexive of its assumptions, biases and blindspots. To achieve this, certain ontological, epistemological and methodological issues were raised: the most important of these being the commensurability or otherwise of paradigms. The position taken in the review was that although organizational paradigms may be incommensurable in the strictest sense of the term, a dialogue among them is likely to lead to a more comprehensive explanation than any single lens analysis (Morgan, 1997, Scherer, 1998).

Thus, theoretical works on strategic change were examined according to, among other criteria, whether they emphasised incommensurability or the possibility of integration. Though not without its problems, Rajagoplan and Spreitzer's (1996) variance theory framework was found to be the most promising starting point for developing a more processual account of strategic change and for answering the questions posed by the literature review. Its strengths lay in the authors' attempts to provide a multi-lens perspective on strategic change and a parsimonious integrative framework that led to testable propositions.

Its weaknesses, however, were found to be in its lack of attention to contextualist/processual theories of change, neglect of the importance of

practitioner literature make great play of the benefits of planning in analyzing the world and in shaping strategies that are consistent with such analyses), most researchers, and probably most practitioners, are critical of the rational model. Indeed the same might be said of any single lens perspective as the discussion on multiple paradigms has shown. Thus multiple paradigm literature, exemplified by the work of Morgan (1997) and of Rajagopalan and Spreitzer (1996), has shown how rational perspectives, often characterized by simplified representations or “maps of the territory” (Weick, 1994) produced by quantitatively-based variance theories, somewhat paradoxically, can rarely explain much of the variance in organizational outcomes resulting from similar strategic change initiatives. As Weick has argued, this is precisely because the map is not the territory; instead, researchers (and, indeed discerning practitioners in my experience) are more persuaded by a complexified (Chia, 1995) mapping or version of reality, in which the “messier” links between strategic change and outcomes are better modelled as a complex narrative drawing on multiple perspectives and metaphors, most of which have little to do with rational decision-making.

The chosen articles, reviewed in the next chapter, highlight the failings of rationalism to account for change but, instead, provide a “diagnostic reading” (Morgan, 1997) that draws on multiple perspectives and show the complex and non-linear links between strategic intentions and outcomes. This is particularly true of the cases used to illustrate the success and failure of change reviewed in the opening section of the next chapter.

## Accounting for Organizational Outcomes

If the rational lens fails to provide an adequate account of strategic change, what are the other key influences in shaping the strategic change process, especially in *formulating* strategic change initiatives? In this review of the literature, I have built on Rajagopalan & Spreitzer's (1996) work to develop a model of strategic change that draws on different lenses, but is particularly influenced by the contextualist/processual literature in pointing out the role of historical circumstances, the inner and outer contexts of change, temporal interconnectedness, and the complex, mutual relationships between strategic change initiatives and the resultant outcomes. In addition, three other strands of research on the "linguistic turn", organizational culture and institutional theory, have been used to show how power, politics and organizational discourse are central to any explanations or analyses of the strategic change process. As Ford & Ford (1995) have argued, performative speech acts are at the heart of interpreting, creating and implementing any form of strategic change. However, such communicative discourses are discourses of power that are never complete but imply opposition and resistance (e.g. MacKinlay & Taylor, 1996; MacKinlay & Starkey, 1997; Hardy and Clegg, 1996; Townley, 1993).

Once again, these themes are evident in my reflections on nearly all of the published works reviewed in the next chapter, particularly the role of power and politics in the "contested terrain" (Edwards, 1979) of organizational life.

## Successful Transformations

Finally, what factors or patterns of events, activities, emotions, etc. facilitate or hinder the embedding of strategic change in an organization? Drawing on material from organizational discourse, institutional theory and the political analysis of change, I have developed a stage model of the embedding or institutionalization of change in organizations. Though the model has all of the weaknesses of the necessarily simplified and linear representations of the process of change, it provides periods or stage of punctuated equilibrium around which to collect data on the process of change and identifies key sub-processes at work in facilitating or negating strategic change. This model, which has been developed deductively from the literature and inductively from my previous research in this area, has led to the development of some propositions that can be used to frame further research in this field and, if found to be generalizable to other situations, can provide useful advice to practitioners. These propositions are examined in the next chapter to reflect on why changes may have been relatively successful or unsuccessful.

Finally, it is necessary to point to two potential limitations of this review. The first concerns the lack of discussion given to organizational outcomes as the “dependent variable” in the model. As previously mentioned, there is no intention on my part to play down the significance of this aspect of the model but to point out that treating outcomes as a dependent variable is inconsistent with a process view of change. The second

limitation concerns the choice of material to incorporate into the extended model referred to in later stages of this review. In pointing to four strands that were relevant in adding to Rajagopalan & Spreitzer's (1996) framework, inevitably other significant works have been left out. One might point, for example, to Whittington & Pettigrew's (1999, September) recent use of complementarity theory to explain the links between new forms of organizing and improvements in company performance. The rationale for choosing these bodies of literature, however, was based on their contribution to a more processual account of change and their use of organizational discourse in explaining power, politics and resistance in the process of strategic change. I hope that, in choosing to incorporate the work of these authors, I have not left out more significant contributions that would have provided a better or alternative account.



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## CHAPTER 2

### COMMENTARY ON PRESENTED PAPERS

#### INTRODUCTION

The preceding chapter proposed a framework of strategic change (Figure 1.12) that linked certain key contexts and lenses with strategic outcomes but placed strategic discourse, power and resistance at the heart of the model. These linked ideas of power in and around organizations (Mintzberg, 1983; Buchanan & Badham, 1999) form a strong unifying theme for most of the papers presented in this thesis. Moreover, a process theory of strategic change was proposed in Figure 1.13 and certain propositions were set out that could guide future research and be used to reinterpret some of the data in the cases presented in this thesis.

Although not all of the cases and survey data have been analysed through these lenses described in the preceding chapter, the importance of power, resistance and competing organizational discourses are evident throughout the works. Moreover, since it is my intentions to revisit these data in the various case studies for a book on strategic change, I intend to make use of the framework and model developed at the end of the preceding chapter. Consequently, in answering the question posed in the introduction to the thesis, first, I will indicate how some of these data from the cases are analytically generalizable to the framework and model proposed in Figures 1.12 and 1.13 (Yin, 1994, 1998) or else show how they could be used to test or illustrate the propositions set out at the end of Chapter 1. Second, I will show

how my thinking about these issues has developed since the period of researching these papers and show how my research journey has contributed to the development of the overall framework and model of the institutionalization of change. Third, since the nature of explanation is intimately connected with the methods of producing knowledge, I reflect critically on the methodological and data gathering issues brought up by certain of these papers.

Consequently, the published works have been grouped together as contributions to three themes that are summarised in Figure 2.1. These are:

1. Evaluating success and failure using a longitudinal perspective
2. Conceptual development in strategic and organizational change,  
and
3. Methodological development

However, whilst I have chosen to group the eight published works (cited in Appendix 1) according to these particular themes, all of these works stand as papers in their own right and are intended to contribute to the management literature and to practice. Thus, in critically reflecting on these works, I will adopt a uniform framework that briefly highlights:

- The focus of the research and the key questions addressed,
- Data collection and findings, and
- The particular contribution to theory/and or practice and critical reflections on the articles

Though this uniform structure is helpful, I focus the reflections on the themes that the works have been chosen to illustrate. Thus, for example, in the reflection on the paper chosen to illustrate methodological development, the focus of discussion is on the methodological issues, data gathering and lessons learned from attempting to use methodological pluralism rather than on key findings.

**Figure 2. 1: Themes and Contributions of the Presented Papers**

Themes	Contributions
Evaluating success and failure using longitudinal cases studies	Learning from failure at Timex: A contextualist account
	Learning from success: A contextualist account of NCR Dundee
	Learning from limited change: The failure of top down, planned culture change in a local authority
Conceptual development	The institutionalization of change, the transfer of best practice and the politics of resistance in ABB
	Theorising resistance to change in Multinational Enterprises: the case of Cashco.
	Explaining the diffusion of best practice management development. Rational planning and institutional explanations: Management Development in Scotland
	Do HRD investment strategies pay? Theorising a link between HRD and psychological contracts.
Methodological development	Linking career development and job security in a new psychological contact: Ethnography and the value of methodological pluralism

Since the term, analytical generalization is used extensively throughout this chapter, it is worth dwelling on its meaning before showing how the data in these articles can be used to test the models set out in the previous chapter. An important point to note is that different writers use the concept in slightly different ways. For example, Kvale (1996) uses the term to answer the question: can a “reasoned judgment” be made about whether the data from

one study, set in its particular context, can be used to make inferences about another study sharing a similar context. Thus, the extent to which contexts are common in case study work imply that similar patterns of results should follow and the more this is the case, the more generalizable the theory is expected to be. On the other hand, Yin (1994, 1998) uses the term to refer to the extent to which an existing theory can serve as a template for evaluating the data from any case study. As Yin, suggests, data from single cases can be the basis for illustration, representation or analytical generalization to a theory and, indeed, this is often the case with classic case study research. However, multiple case study research, which involves replication ,strengthens or broadens the argument for analytical generalization, in so far as the underlying theory is corroborated by the case data (*literal replication*) or because the case studies were chosen to test different theoretical propositions for predictable reasons (*theoretical replication*).

## MY RESEARCH: AN OVERVIEW.

To set these published works in context and, at the same time, avoid duplication in discussing methodological issues, it is necessary to provide a brief history of my personal development and provide a methodological overview of the presented papers.

### Personal Development

The development of my research and publications has progressed over a seventeen-year period in a number of different directions. My early



academic career from 1980-89 focused on industrial relations research and teaching (e.g. Kelly, Martin & Pemble, 1984), although I did undertake and publish some work that fell into the category of organization studies, most notably during a period of participant observation of the construction of the new Parliament House in Canberra, Australia ( Frenkel & Martin, 1986; Martin, Frenkel & Glover, 1987). The theme connecting both of these areas of interest was the analysis of power in and around organizations (Mintzberg, 1983). The analysis of power is often best served through in-depth case study work (Buchanan, 1999; Dawson, 1994; Pettigrew, 1995) and this has been a theme linking my research major contribution and research strategy during my academic career. Although, I have undertaken surveys based on large samples of many organizations, and used surveys within cases to gather data, my main approach to data collection has been to collect, analyse and report qualitative data obtained by extensive access to a number of local organizations. These organizations are drawn from the private and public sector and also from domestic and multinational companies. What access to these organizations has allowed me to accomplish is to obtain rich data, often in a naturalistic setting (Atkinson & Hammersley, 1998), to contextualise description and to examine some of the processes at work in producing change (Pettigrew, 1995).

The articles presented in this thesis result from research, primarily undertaken during the period 1994-98<sup>4</sup>. The research on organizational change began with data collected (with Martin Dowling) for the paper on the

closure of the Dundee subsidiary of the multinational Timex corporation.

This paper was something of a *cause celebre* case study that subsequently was selected for a book on strategic change by the editor of the Journal of Strategic Change (Hussey, 1996) and cited as an example of a well written, academic case study from which other writers and researchers could learn (see editorial of the Journal of Strategic Change, Volume 6, number 1).

This case study approach to understanding change was developed with retrospective and real time, longitudinal research (Pettigrew, 1995) into two further local subsidiaries of well-known multinational enterprises – NCR and Asea Brown Boveri (ABB). NCR has provided a particularly rich source of data and has provided the material for three of the chosen articles that deal with a common theme of the contribution of HRM to strategic change in the Dundee plant of the corporation<sup>5</sup>. The research<sup>6</sup> into the ABB plant originated from work carried out for an international collaborative project on this well-known MNE (Belanger, Bjorkman, Berggren & Kohler, 1999). Another theme linking these case studies has been the view from below and the tensions created by attempting to exercise global and local strategies in MNE's together with intra-organizational learning.

I have also chosen to include research that deals with the theme of strategic change in a further two local organizations. These are a local industrial textiles company<sup>7</sup>, with whom I began some longitudinal research

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<sup>4</sup> Data for one of the papers was collected in 1991 and in 1995.

<sup>5</sup> Data for the first and second paper on NCR was collected and analyzed by myself. For the final paper on NCR, I had help from Judy Pate with the interviewing and statistical data.

<sup>6</sup> I undertook all of the interviewing and analysis of the interviews for this paper.

<sup>7</sup> This paper received an ANBAR citation of excellence.

in 1996 (along with Judy Pate and Harry Staines) and a Scottish local authority, with whom I conducted a major evaluation of a culture change programme in 1995 (with Harry Staines). These works have in common the evaluation of strategic change initiatives and have contributed to the literature on culture change and psychological contracts. The work on the City Council did not appear in a refereed journal but in a book edited by a team of Open University researchers. However, I consider it to be one of the papers that best illustrates the direction and quality of my work<sup>8</sup>.

Finally, I have also selected an article<sup>9</sup>, which appeared in a major, refereed US journal, that is based on survey research of the adoption and diffusion of management development practices in the Tayside region of Scotland. This theme, although not quite in the same mould as the others, deals with change initiatives from the perspective of institutional theory, one of the approaches highlighted in the literature review as key to understanding strategic change. The paper also demonstrates the value of writing focused, quantitatively based research.

### A Methodological Overview of the Presented Papers

Given that one of the main objectives of doctoral level awards is to show broad competence in research, I have chosen articles that demonstrate a range of paradigmatic approaches, research strategies and methods of data

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<sup>8</sup> It was an invited chapter arising from a national conference on HRM in 1995 and was among twelve papers selected out of more than eighty presented at this conference

<sup>9</sup> This work is based on survey data collected by myself in 1991 and 1995. Phil Beaumont contributed to the focus and argument of the paper and Harry Staines helped re-analyse the statistical material.

collection and inquiry (Denzin & Lincoln, 1998a, 1998b, 1998c). Although, all of the works presented in this thesis have undergone peer review, editing and resubmission, five of the papers have undergone a particularly rigorous review process. In certain cases this has involved three reviewers from the UK and from the US.

As already indicated, the works presented in this thesis draw on relatively extensive bodies of quantitative and qualitative data, often collected over time to provide real time and retrospective longitudinal accounts of strategic change and HRM. Because the methodologies and techniques of data collection have been largely driven by the research questions, there is no adherence to a particular epistemological or methodological standpoint such as logical positivism or social constructionism (Burrell & Morgan, 1979). For as critical realists (Bhaskhar, 1989; Sayer, 2000) have argued, this classic dichotomy represents a false position, particularly given that pure positivists are hard to find on the ground (Smith, 1998) and also because of the “rediscovery of rhetoric”, which challenges the notions of a traditional realist ontology (Coffey & Atkinson, 1996). Instead, what characterises these papers from a methodological perspective is less the search for metaphysical truths and more the production of pragmatic answers to particular questions. Thus critical realism is consistent with a range of research strategies and methods (Sayer, 2000), including *positivism* (Donaldson, 1996), *post-positivism* (Guba & Lincoln, 1994; Smith, 1998; Tashakori & Teddlie, 1998)

and *constructivism or interpretivism* (Silverman, 1993, 1998; Schwandt, 1998).

### Paradigms in Management Research

The distinctions between positivism and constructivism has been well documented in the literature on social sciences and management research and needs little or no elaboration here (Bryman, 1988; Burrell & Morgan, 1979; Cassell & Symon, 1994; Clegg, Hardy & Nord, 1996; Denzin & Lincoln, 1994; Gill & Johnson, 1998; Hussey & Hussey, 1997; Lee, 1999; Punnet & Shenkar, 1995; Slife & Williams, 1995). As Silverman (1993) and Smith (1998) have pointed out, however, this distinction could rarely be found in practice, since few researchers in social sciences believed in all of the central tenets of positivism. So it is with some surprise that the position of post-positivists has been less widely discussed, appearing in only a few sociological works on methodology (e.g. Denzin and Lincoln, 1994, 1998a; Smith, 1998) and, to my knowledge, in no discussion of methodology in management research. Such surprise is based on three grounds: first, because of the increasing disaffection with positivist methodologies on both sides of the Atlantic (at least as represented by the two "Academies"<sup>10</sup>), second, because of the pragmatic nature of much management research, and third, because of the increased use of mixed methods and triangulation in management journals (see, for example, Pettigrew's (1995) methodological paper on strategic change).

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<sup>10</sup> For example, at the Chicago meeting of the Academy of Management there was an emotional call by qualitative researchers to replace the leadership of the Research Methods division with their own candidate. The British Academy has never been dominated by positivists in my experience; witness the hostile reception given to Lex Donaldson in 1996.

Moreover, as has been argued in the opening chapter, the moves to paradigm commensurability fits well with an approach that is epistemologically relativist and methodologically pragmatist (see Smith, 1998). Consequently, given the integrated nature of the frameworks set out in the earlier pages, it is worth elaborating a little on post-positivism as a distinctive methodology in its own right, not least because it is the general approach in a number of the selected articles.

Post-positivism, at least as described by Denzin & Lincoln (1994; 1998a) stands somewhere in between the traditional positivist - constructivist fracture. There are four aspects that are relevant to our discussion:

1. Post-positivists accept the positivist position that certain ontological external realities, which are independent from individuals' social constructions, may exist. However, they reject the absolutist notion of epistemological realism underpinning positivism and the search for unbiased techniques that can expose a single truth (Smith, 1998). Instead they argue for a critical realism (Sayer, 2000) that is sceptical about the ability of scientific methods alone to uncover such reality. Such a position is sensitive to the fallibility of statistical measurement and is consistent with the notion of triangulation among methods to produce a holistic understanding and explanation.
2. Post-positivists assess their work in term of its ability to generate theory, the extent to which it is empirically grounded, and its

ability to produce findings that can be generalized, or transferred to other settings.

3. Post-positivists accept the positivist position of an objective and independent researcher, at least in theory, but reject the notion that such observers can be clinically objective or value-free since they are inherently biased by their culture and perceptions. Thus, reflexivity becomes an issue for post-positivists and, in reporting their results, they are duty-bound to acknowledge their part in producing knowledge.
4. Post-positivists are critical of the single-minded reliance on nomothetic generalisations ( the testing of hypotheses through large samples and decontextualised data sets), which C. Wright Mills (1959) famously described as *the "Method"* associated with the "physics envy" and "abstracted empiricism" . However, to answer certain questions, they would use such research strategies and the methods of quantitative research. Equally, however, they are comfortable with an ideographic methodology based on inductive methods and small samples or single cases studied in depth or over time.

**Figure 2.2: The Position of Post-positivists in the Classical Dichotomy**

(adapted from Burrell, 1996; Gill & Johnson, 1997; Lincoln & Guba, 1994)

Issue	Positivism	Post-positivism	Constructivism
Ontological Position: Researchers beliefs	External and objective world open to discovery by scientific methods	"Transcendental" and "critical" realism based on belief that some reasonably stable relations do exist and causal links can be identified in a probabilistic sense	World is socially constructed and subjective and open to multiple interpretations
	Science is value free	The ability of researchers to disentangle themselves from their culture and perceptions is questionable and their observations are open to error and interpretation	Researchers are part of the process of observation and science is thus value laden
Epistemological position: Researchers should:	Focus on social facts	Focus on social facts as mediated by perceptions	Focus on meanings
	Search for truth based on causal relationships and laws	Search for probabilistic truths	Seek understanding
	Reduce phenomena to simple elements, formulate hypothesis and test them	Acknowledge the importance of context	Look at the totality of the situation. Context is "everything"
Methodological position	Deductive reasoning through the operationalisation of concepts, the development of hypotheses and empirical testing	Iterations of deductive and inductive reasoning	Inductive reasoning in which ideas are produced from the data
	Based on large, probability samples and statistical testing through variance analysis	Multiple methods and triangulation used to overcome the problems associated with fallible measurements	Small, non-probability samples or single cases studied in depth and, often, over time

Such a stance on these ontological, epistemological and methodological issues is consistent with the notion of, at least potential, commensurability among paradigms of the kind advanced in the preceding literature review. In



this sense, post-positivists are not paradigm warriors but are happy to borrow from quantitative researchers, by “counting the countable” (Lee, 1999) and, at the same time, use the techniques of qualitative researchers to test formal propositions (Kvale, 1996) and to draw inferences from unstructured interviews with small samples (Silverman, 2000).

Thus, the presented papers adopt a variety of research methods and traditions, ranging from conventional surveys drawing on large data sets from questionnaires to essentially constructivist research drawing on interpretivist understandings of in-depth interviews with managers, union officials and shop floor employees. In three of the papers, there has been an attempt at methodological pluralism in which quantitative and qualitative data have been used to provide a degree of triangulation. These papers have been approached from a post-positivist perspective, which, as we shall see however, is not without its attendant problems. The essentially pragmatist approach of post-positivists in using multiple methods to triangulate data, aside from the philosophical issues involved (Silverman, 1997), can also lead to confusion in the search for answers to particular research questions. For example, what happens when, for example, quantitative data does not triangulate with qualitative data? We shall briefly return to this problem in the last of the articles reviewed in this thesis.

**Figure 2. 3: A Summary of the Methodological Approaches and Data Collection Methods of the Presented Papers**

Title of Work	Methodological Approach: Paradigm and research strategy	Principal data gathering methods
Managing change, human resource management and Timex. <i>Journal of Strategic Change</i> , 4 (2), 77-94	Essentially interpretivist. Retrospective and real time contextualist case study drawing on documentary evidence and qualitative data	Journalistic records and in – depth interviews with approximately fifteen key informants. Contextualist, historical case study drawing on documentary evidence and qualitative data
“The wee outfit that decked IBM”: Manufacturing strategic change and leadership in the “cash”, <i>Journal of Strategic Change</i> , 5 (1), 3-25.	Essentially interpretivist. Retrospective and real time case study drawing on documentary evidence and qualitative data	Company archives, analysis of extant published material and in-depth interviews (some lasting up to five hours) with twenty-two directors, senior managers and union officials and other key informants. Contextualist, historical case study drawing on documentary evidence and qualitative data
Changing corporate culture: paradoxes and tensions in a local authority. In C. Mabey, D. Skinner, & T. Clark, <i>Experiencing HRM</i> . London: Sage. pps 73-93.	Post-positivist approach. Retrospective and real time case study involving cross-sectional survey and focus group interviews	Attitude survey of total workforce of 3000 staff achieving a response rate of nearly two-thirds. Five focus groups conducted with a large department within the council using survey feedback techniques
Diffusing “best practice” in multinational firms: prospects, practice and contestation. <i>International Journal of Human Resource Management</i> , 9 (4), 671-695.	Retrospective and real time contextualist, longitudinal case study using an essentially intepretivist approach and drawing on documentary evidence and qualitative interviewing	Semi-structured interviews conducted on at least two occasions with approximately twelve senior managers and union officials over a ten-month period. Interviews were content analysed for key themes
Determinants of early and late adoption of management development practices: evidence from Scotland. <i>The International Journal of Organizational Analysis</i> , 6 (2), 132-145.	Positivist, repeated cross sectional survey conducted in 1991 and 1995	Postal survey of 600 organizations in Tayside achieving a 17% response rate in the 1995 iteration
Co-ordination and control of	Retrospective and real time contextualist, longitudinal	Drawing on data collected for the first NCR article.

human resource management in multinational firms: the case of CASHCO. <i>International Journal of Human Resource Management</i> , 10 (1), 21-42.	case study using an essentially interpretivist approach and drawing on documentary evidence and qualitative interviewing	Further interviews conducted with six key HR staff and senior managers in 1998
Linking job security and career development in a new psychological contract, <i>Human Resource Management Journal</i> , 8 (3) 20-40.	Post-positivist, ethnography, involving surveys, participant observation and range of qualitative methods	Observation and data collection in plants over many months. Cross sectional survey of all 600 staff compared with earlier survey. Five focus group interviews conducted. In depth semi structured interviews with eighty randomly selected employees conducted by research assistant.
Do HRD investment strategies pay? Exploring the relationship between lifelong learning and psychological contracts, <i>International Journal of Training and Development</i> , 3 (3), 200-214.	Post-positivist, involving survey analysis and interpretivist understanding of qualitative data.	Interim survey of fifty participants in programme. Statistical analysis of secondary data drawn from in-company attitude surveys. Primary data collection drawn from eighteen semi structured interviews with participants in the programme and their managers

### Research Strategy and the Value of Single Case Studies

Seven of the eight articles are of single case studies which, according to the positivistic paradigm, presents fundamental problems for those believers in the "Method" (Buchanan, 1999; Mills, 1959). These organizational researchers are frequently pre-occupied with the positivistic concerns of validity, reliability and generalisation and, as such, they are concerned to "emphasise the size and representativeness of their samples, the lack of idiosyncrasy in research sites and respondents and the broad applicability of their findings" (Buchanan, p. S75). Where single cases are given a role by

these researchers is in producing exploratory research to generate concepts for subsequent testing.

As noted above, however, idiographically-oriented researchers are much less concerned with such notions of statistical generalizability and more concerned to:

- (a) answer questions that seek to *understand* how and why events occur (Pettigrew, 1995; Yin, 1998);
- (b) show how structures, attitudes, behaviour and social processes are sensitive to *context* (Tsoukas, 1989; Pettigrew, 1995),
- (c) use multiple methods of data collection for the purposes of triangulation and internal validity (Pettigrew, 1995; Yin, 1998),
- (d) use cases *instrumentally* (Stake, 1998) to make analytical generalizations from the case study evidence to some broader set of theoretical constructs (Yin, 1994) and/or
- (e) make *naturalistic generalizations* if the reader is able to reconstruct the arguments so that they are insightful and useful to him or her (Buchanan, 1999; Stake, 1998).
- (f) Use cases *intrinsically*, because they want a better understanding of a particular case (Stake, 1998) or a case that illustrates extreme situations, critical incidents or social dramas so that progress is *transparently observable* (Pettigrew, 1995).

In the papers cited in this thesis, the main arguments used to further knowledge in the field of strategic change are to use the case data to make

analytical generalizations to theories of change and show contextual embeddedness – the vertical and horizontal interconnectedness and embeddedness of the processes of change over time (Pettigrew, 1995; Silverman, 1993). However, reflecting on these two features of case studies as a method of producing knowledge in management, there are two broad criticisms that might be made of the papers presented in this thesis. The first refers not to analytical generalization but to naturalistic generalization, where the cases studies implicitly invite readers to consider whether the accounts provided were interesting, relevant, insightful and useful from their perspective (Buchanan, 1999). On reflection, it is arguable that such naturalistic generalization could have been more explicit by pointing out the socially constructed nature of the various case study accounts and asking both ourselves and readers to consider alternative interpretations (Stake, 1998). The second reflection refers to the limited contextualisation of the cases presented in this thesis in the broader socio-economic and industrial changes of the time periods under consideration. A re-visitation of certain of these cases would certainly lead to a further embedding of the processes of change over time in a more explicit account of these two vertical levels of analysis (Pettigrew, 1995).

## THE PUBLISHED WORK: CONTRIBUTIONS AND CRITICAL REFLECTIONS

### THEME ONE: LEARNING FROM SUCCESS AND FAILURE IN STRATEGIC CHANGE

One of the main aims of this thesis is to address the question of why organizations succeed or fail to embed strategic change initiatives? The following articles have been selected to address that question directly and have been re-evaluated in the light of the framework and model set out in Figures 1.12 and 1.13 in the previous chapter. The situations and outcomes from the strategic changes in the three case studies are quite different and, arguably, represent the range of possible outcomes of strategic change. Thus, the first case of Timex chronicles a spectacular failure to bring about change, whilst the second case on NCR demonstrates a spectacular and sustained success. The third case, is probably more typical of the process and outcomes of change initiatives in demonstrating more mixed results and thus shows how a programme that began well, eventually became “stuck in the middle”. They all have in common, however, a demonstration of the contextual embeddedness of change and the importance of creating credible and novel narratives to the strategic change process.

#### Learning from Failure at Timex.

Paper 1: Martin, G. & Dowling, M. J. (1995) Managing change, human resource management and Timex. *Journal of Strategic Change*, 4 (2), 77-94.

### The focus of the work and key research questions

This article was an attempt to answer the question of why the Timex corporation, based in the US, failed to manage strategic change in one of its most important subsidiaries in Scotland. As such, our interest in this case was intrinsic (Stake, 1998). The background to the work was the closure of the Timex plants in Dundee, Scotland after a long and sometimes violent dispute during 1992/3. This dispute made the international news headlines and raised many questions concerning multinational practice in host countries and union militancy in the UK during the 1980s. The case study, however, was also instrumental (Stake, 1998) since it raised a number of important questions for MNE's operating in unionised environments in the UK and for advocates of HRM in bringing about strategic change in such traditional circumstances. It also asked questions of the local management team who, in their role as stewards of the host country operation, consistently failed to advance the interests of the Dundee plants and their local workforce.

### The data and key findings

The case study was put together from (a) archive material which comprised mainly journalistic accounts from the local and national newspaper media, television and radio programmes (including those in which we appeared, although we did have access to certain confidential material from recorded discussions between the unions, senior management and the local enterprise company) and (b) unstructured interviews with

fifteen key informants, including senior managers, senior HR and production staff, shop stewards and full time officials.

In the first part of the case, the account of the data presents a “joint construction” (Schwandt, 1998) of the case in which the plant in Dundee grew to become the largest and most important manufacturing plant in the Timex Corporation by the mid 1970s. The roots of the plant’s problems, however, can be traced in its historical development and relations with its parent company. First, it was constituted as a manufacturing facility with little design and development capability and remained so throughout its history. Second, an adversarial industrial relations culture developed in the plant, shaped, in part, by the US preferred managerial style and the natural inclinations of its owner, Fred Olsen, and, in part, by the local industrial culture of Dundee, local union politics and the politics of shop floor control.

The decline of the plant is documented, following the decline in demand for mechanical watch-making and the decision of Timex corporate management to site electronic watch-making in new “green-field” plants in less developed countries. At the same time, the account stresses the role played by Olsen, the owner, in maintaining a (much-reduced) presence in Dundee, for “sentimental” reasons. These decisions led to the search for new markets for the Dundee plants and the eventual move into sub-contracting electronics, for which it is argued it was ill-suited in terms of the high fixed cost structure of the Dundee operation.



The second part of the case sets out the attempted culture change, HRM initiatives and cost reduction exercises through downsizing that provided the backdrop and generative mechanisms for the strike and ultimate closure. It also documents the role played by the local general manager, in conjunction with the US HR management team, in provoking the dispute through the lay-off and wage reduction scheme that was intended to give the plant some breathing space. Finally, some personal reflections from key players are documented which show a distinctive lack of agreement over the reasons underlying the closure.

#### Contribution and Critical Reflections

The article was intended as a contribution to the literature on the contextual embeddedness of change (Dawson, 1994; Pettigrew, 1995) and the failure of “best practice” culture change and HRM techniques to produce positive outcomes (Anthony, 1993; Legge, 1995). It was also intended as a contribution to the literature on the role of leadership in MNE’s, particularly the representative role of subsidiary managers (Bartlett & Ghoshal, 1995; Kostova, 1999). Finally, we interpreted the case as producing a set of circumstances in which incremental change was almost bound to fail and was inappropriate to the circumstances in which the local managers found themselves in the 1970s and 1980s (Stace & Dunphy, 1991). However, the case almost invites naturalistic generalization, and indeed, in using it with local managers, some of whom worked in the plant, their interpretations provided a number of alternative accounts.

There are three areas of potential criticism that are worth reflecting on – the structure of the paper, the methodology and the contribution. With regard to the first of these, some case researchers (e.g. Yin, 1998) (and, indeed, some reviewers) argue that since theoretical development should be the principal aim of all research, research reports should be written so as to test theoretical propositions. This line of argument follows the central proposition that the goal of all research is to contribute to theoretical knowledge and that the “facts” are only collected to discipline knowledge (Mills, 1959). In this sense, case research as a research strategy is only instrumental to the broader aim of providing “insight into an issue or refinement of theory” (Stake, 1998) or analytical generalization as discussed by Yin (1994, 1998) and Kvale (1996). Following this line of argument, perhaps it may have been better to have raised certain of the key theoretical issues in more depth at the outset. This may have resulted in a paper “fronted” by a discussion of the issues of incremental and transformational change, the role of US-developed culture change and HRM initiatives in promoting successful change, and the problems faced by MNE corporate managers in understanding and managing in local contexts. The data from the case could then have been used to test certain of the theoretical propositions set out in the process model of change in Figure 1.13.

The obvious response to this criticism is that case studies are often chosen because they have intrinsic interest to researchers (Stake, 1998) because the case itself is of particular interest. This is not to exclude theory

building but to privilege the “epistemology of the particular” (Buchanan, 1999; Stake, 1998) and ask: how and what can one learn from this case? Our interest in writing the Timex case was because it was one of these situations that was of local and national interest at the time and because we had excellent access to some of the key players.

Perhaps a more important limitation of the case concerns the reliance on journalistic accounts for archive material (although we did have access to some confidential company records) and the failure to tell the story directly from the perspective of key players such as the US management team and Peter Hall, the UK general manager. Although we were promised access to the US HR team, they subsequently reneged on this promise for internal political reasons. We were left, therefore, with second-hand accounts of the views of influential people such as Fred Olsen, the owner, and Saleh, the US HR director. Thus, we have to acknowledge that this account is written largely from the perspective of the Dundee actors, but nevertheless, this “view from below” is still a valid and important perspective, much neglected in research on MNE’s and on HRM (Mabey, Skinner & Clark, 1998).

Moreover, our research began during the dispute, when access to certain managers and to key union officials was extremely sensitive and logistically difficult. Nevertheless, if we were to revisit the case, I would attempt to gain access to company records, to union minutes of meetings, to the US managers and to Peter Hall, whose role in the dispute and the closure was critical.

Finally, the paper could be criticised for the lack of contribution to theory development. In part, this may stem from the dual objectives in writing the case, in which theory development was perhaps a less important reason. However, on reflection, the case material would have provided some excellent data to have illustrated the theoretical framework and process model set out in the literature review, particularly the failure of the rationalist perspective to account for the union opposition and the closure, the role of competing organizational discourses and the appropriateness of the model of the institutionalisation of change set out in Figure 1.13. It would be possible, for example, to reinterpret the existing data and to include other data that would illustrate the failure of senior managers to provide compelling and novel narratives which would have allowed the unions to have read the situation in a manner consistent with their own political ambitions.

Learning from Success: A Contextualist Account and the Role of Strategic Leadership, Accidents and Event Concrescence.

Paper 2: Martin, G. & Riddell (1996) "The wee outfit that decked IBM": Manufacturing strategic change and leadership in the "cash", *Journal of Strategic Change*, 5 (1), 3-25.

The focus of the work and the research questions.

This article was, in many respects, a companion but contrasting case to the earlier one on Timex, in asking why another local subsidiary of a US

MNE, this time, had been successful in managing strategic change. In its own way, the case was as well-known as Timex but for different reasons: instead of closure, after ten years of major downsizing in the 1970s, the Dundee plant of NCR became a world leader in its field and won national awards for being the “Best Factory in Britain”. Yet, it shared many common features with Timex that may be construed as inimical to long term success, including its US parentage and US ethnocentric management style, “screwdriver plant” origins, common location problems in being remote from the US, common local union politics and an often-interchangeable workforce. Thus, my interest in the case was both instrumental, in making a theoretical contribution to successful strategic change through a comparison (see Martin & Dowling, 1996), and intrinsic, because the case was of interest in its own right as a potential contribution to learning about successful business and management practice.

#### Data collection and findings.

The case study was put together principally from unstructured interviews, lasting between one and four and a half hours<sup>11</sup>, with twenty-five, key informant (Miles & Huberman, 1994) senior managers and union officials, many of whom had been with the company for more than fifteen years. Such access provided extremely rich, though admittedly retrospective, accounts of the generative mechanisms of change in the organization. Indeed, the sheer volume of data, nearly seventy hours of taped interviews, presented

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<sup>11</sup> Two sequential interviews with the Dundee CEO.

tremendous problems of data reduction (Kvale, 1996) through content analysis. The benefits, however, were the possibilities for triangulation of the key themes that emerged during these interviews. These were:

- (a) the favourable context for change that emerged during the 1970's, including the near-closure of the plant in the latter part of the decade;
- (b) the "accidental" dumping of the nascent ATM's on the Dundee plant in the mid-1970s;
- (c) the role of the CEO in recognizing the possibilities of new technology in banking, his ability to create a compelling, credible and novel strategic vision and in acting as a major champion for the local plant; and
- (d) the role of HRM in helping secure a positive response to change in the workforce.

#### Contributions and Critical Reflections

The article that emerged was an account of successful strategic leadership in consistently and persistently shaping organizational change. It was also intended as a contribution to the literature and practice of the role of host country managers in an MNE context. Finally, it was written from a contextual and processual perspective (Dawson, 1994; Leavy & Wilson, 1994; Pettigrew & Whipp, 1991; Pettigrew, 1995): thus it was intended as a contribution to research that has attempted to explain strategic change in terms of the interplay of strategic content, context and process and which

highlights the role of organizational politics, leadership and learning in bringing about successful strategic change.

Although by inclination I am sceptical of notions such as transformational leadership, the accounts of nearly all managers and union officials stressed the role of the Dundee CEO in successful strategic change. In interpreting the accounts of the participants, I have stuck as closely as possible to their storyline, so much so that the publishers have chosen to create their own account for readers by “headlining” the role of Adamson, the CEO. This is unfortunate, because the interview accounts also highlighted the role of accidents and event concrescence (Chia, 1995) in producing the dynamics of change. These accounts also viewed successful strategic change from the restricted perspective of the Dundee managers and union officials. This failure to access the US corporate management was a major limitation of the paper but would have been difficult to remedy at the time. Subsequent interviews with corporate management and subsequent events have shown that viewing strategic change from the one-sided perspective of corporate or local management, regardless of the official rhetoric of success, provides a partial and often conflicting view. Indeed, many of the appointments, events and decisions taken in the company after the paper was written, including the marginalisation and eventual departure of Adamson, the Dundee CEO, can be interpreted as the need to undo the “fortress Dundee” policy that Adamson championed.

Using the framework and process model developed in the literature

review, the case study could be analysed in terms of the role of the champions of change in the working out of intra-organizational politics between Dayton and Dundee and in the leaders' role in creating convincing organizational discourses of change. Indeed, the case is analytically generalizable to Ford & Ford's (1995) theory of change conversations and to most, if not all, of the propositions of the model of the institutionalization of change set out in figure 1.13. Most significantly, it illustrates perfectly the importance of convincing initiative conversations in proposing a compelling and credible vision of the future and in role of securing early wins with the workforce through the introduction of the work protection programme in securing long term commitment to the general direction of management strategy in the Dundee plant.

Finally, whilst there was an attempt to locate the changes over time in the industry dynamics, this aspect of the analysis could have been better and more fully developed to show how the principal actors made sense of their industrial and economic environments and, in doing so, enacted them (Weick, 1995).

#### Learning from Limited Change: The Failure of Top Down, Planned Culture Change in a Local Authority and the Politics of Control and Resistance

Paper 3: Martin, G., Beaumont, P. B. & Staines, H. (1998) Changing corporate culture: paradoxes and tensions in a local authority. In C. Mabey, D. Skinner, & T. Clark, *Experiencing HRM*. London: Sage. pps 73-93.



### The focus of the work and the research questions

This work was a further contribution to the line of questioning pursued in the earlier papers, namely, what factors might account for the success or failure of strategic change. This time, however, the context was Scottish local government rather than MNE's. The research arose from a consultancy project that was aimed at providing an assessment of a major programme of culture change on employee attitudes. This project allowed me full and unrestricted access to all levels of managers, staff and to the project team that was responsible for steering it through the organization.

The case study was used instrumentally to answer the specific question: why was there a relative absence of changes in employee attitudes in response to a major programme of culture change that was designed to achieve this outcome? In doing so, we also intended to offer to explore the role of culture change programmes more generally and the role of organizational survey mechanisms to generate and evaluate such change.

The paper was written as an invited contribution to a book (Mabey, Skinner & Clark, 1998) arising from a conference on the theme, "HRM: A view from below", and was selected after refereeing and editing from over eighty submissions. Consequently, the focus of the study is on the critical literature on culture change, especially as seen from the employees perspectives. These criticisms focus on the different views of organizational culture and the uncertain possibilities of managing culture change (Martin, 1993, Martin &

Frost, 1996); the motivation for culture change and the role of institutional theory (Abrahamson & Rosenkopf, 1993); and the questionable operating assumptions of culture change, particularly concerning the dominant representationist epistemology (von Krogh, Roos & Kleine, 1996).

### Data collection and the main findings

The overall research approach might best be described as post-positivist. The case principally drew on a questionnaire survey of the three thousand employees of the local authority that was designed to measure the changes in attitudes, values and behaviour over two year period that the programme had been in operation. I designed the survey, in conjunction with the project steering group so that it was possible to make comparisons with a pre-programme survey undertaken by a firm of consultants. However, to improve the validity of the instrument, pre-tested scales on job satisfaction, motivation to work and organizational commitment were introduced (Warr & Wall, 1982). For the purposes of triangulation and to gain a more qualitative understanding of some of the key issues raised by the survey, I used focus groups in a survey-feedback context in two large divisions of the authority. The data from one of these divisions are reported in the case.

Our interpretation of the survey was that, although some positive results and changes from the employers' perspective were evident (e.g. overall job satisfaction and organizational commitment), the programme seemed to have had a limited or even negative association with the factors

that it was designed to influence, namely, sense of mission, team working, communications, change and innovation, etc. Moreover, there was large variations among departments and grades of staff over the extent to which changes were evident. Not surprisingly, the direct labour organization departments and others, staffed principally by lower clerical and manual grades, displayed least change and most cynicism.

In one respect, these results came as no surprise to certain members of the steering group, who were aware that the rhetoric of change may not have been matched by the reality. However, even the sceptics were surprised and worried by the lack of changes and the negative reactions to the programme, at least as measured by the survey data. Consequently, the survey feedback stage using focus groups identified some of the underlying problems that resonate with much of the literature on the “view from below”.

### Contributions and Critical Reflections

This paper was intended to contribute to the critical literature on managing organizational culture change which, I believe, it has succeeded in doing. The data were analytically generalizable to:

- (a) pluralistic theoretical propositions critical of unitary or integrative perspectives on culture change (Anthony, 1994; Legge, 1995; Martin, 1992; Willmott, 1993). For example, the data are much more consistent with conflictual and paradoxical propositions on culture change.

- (b) theory concerned with measuring the extent of culture change (Bate, 1994), and
- (c) theoretical approaches that argue for multiple lenses and fragmented and ambiguous explanations of culture change (Martin, 1992; Meyerson and Martin, 1994). For example, the data show evidence of individuals and groupings of people holding contradictory or paradoxical views on different aspects of organizational culture.

Moreover, in the context of the literature review and frameworks presented in the thesis, the data were, and could be even more so, analytically generalizable to theory that emphasises the role of politics and competing discourses in strategic change (Figure 1.12). Thus, for example, the data could be analysed in terms of the model described in Figure 1.13. Specifically, the case might be reinterpreted in terms of:

- (a) The failure to create a credible, compelling and novel organizational discourse (Barry & Elmes, 1997), illustrated by the differentiated views held by different sections of the workforce;
- (b) The kind of senior management change conversations that were present or absent during the process of change (Ford & Ford, 1995), e.g. the theorising of the need for change by the leadership of the Council and the failure to create a sense of urgency, the failure to

understand and test the perceptions of staff in lower grades and the direct labour organizations;

- (c) Interest group resistance and the failure to secure early positive outcomes.

At a more general level, the case was, and could be further interpreted as, a politically motivated and somewhat cynical attempt at strategic change that was designed to convince national political leadership of the modern approach of the Council during the period of local government re-organization. In turn, the senior managers might have hoped that success for this change programme would have enhanced their reputation as agents of change and, consequently, their standing with the Scottish Office. Such a view is consistent with much of the emerging literature on fashions and fads in management (Abrahamson & Fairchild, 1999). On reflection, this aspect of the case, the embeddedness of these changes in the dynamics of local government in Scotland, could have been a dimension worth much greater exploration (Pettigrew, 1995).

Reflecting on the data collection and the presentation of the case, one might make a number of criticisms. First, the data are not reported in such a way to allow readers to offer alternative interpretations, thus reducing the possibility for naturalistic generalization. Furthermore, there is no attempt to make comparisons of job satisfaction and organizational commitment scores with other studies. So, for example, how do we know that job satisfaction and

organizational commitment were high as claimed in the case. Indeed, the overall presentation of the data is of selected highlights to make a point. Whilst this is acceptable in book chapters, it may be less so in rigorously-refereed journals. Our response to this line of criticism is that good academic work has to achieve a balance between rigour and relevance and that telling a interesting and convincing story, that sticks as close to the “facts” as possible, is at least as important as presenting data in a more conventionally-academic but often turgid fashion, so characteristic of many journals. On balance, I am probably happier with this paper than with others written for journals, precisely because the rules of conventional presentation could be relaxed for the sake of relevance.

#### Conclusions on Theme One: Success And Failure In Strategic Change

From these three articles, which describe the range of outcomes associated with strategic change initiatives, what can we learn about the strategic change process and to what extent do these data illustrate, represent or support or refute the propositions associated with Figure 1.13? At a general level, I believe they graphically demonstrate the contextual embeddedness of strategic change, the political nature of the change process and importance of understanding change as a process that is created, produced, maintained by, and within, communication rather than seeing change using communications merely as a tool (Ford & Ford, 1995).

First, the Timex article shows how the closure of the plant in Dundee has to be seen in the context of years of low trust industrial relations in the

plant, labour militancy in Dundee and the ongoing tensions and institutional distance between corporate head office and the Scottish subsidiary. Thus the failure to embed change in the plant was linked to the failure to take into account the history and circumstances of the plant in transferring HR “best practice” from the US. It also highlights the failure of incrementalism to work in an unreceptive industry and market context of change. The case study also speaks to the role of leadership in MNE’s, especially the failure of corporate and the newly-appointed leadership to understand the local history and context of the plant. In this sense, it provides an excellent illustration of the first proposition in Chapter 1 and shows how the failure to appoint a credible champion of change and their inability to create a credible and novel organizational discourse will probably result in an initiative floundering at the early stages of transition. Moreover local plant manager’s attempts to create an exclusive leadership team, aided and abetted by his constant communication with the US corporate management, and failure to secure any early wins with the Dundee workforce, perhaps compounded the problems of driving change further into the organization. In this sense, these data illustrate propositions 5 and 6 in Chapter 1.

In sharp contrast, the second article on NCR in Dundee, which shared many of the features of the industrial relations context in Dundee (and, often, many employees) provides strong evidence of how successful leadership in an MNE, drawing on a compelling narrative, overcome initial opposition, provided some early wins and shaped the inner and outer context of change

to their advantage. In this shaping of the environment, the use of skilled political behaviour by Adamson in particular, the Dundee CEO, in his dealings with his own managers, corporate management and the Dundee workforce provided some lessons for practitioners. Thus, in these senses, these data from the article speak to virtually all of the propositions our idealised model of change described in Figure 1.13. In doing so, the case provides a robust test of the model.

However, the article also points, once again, to the contextual embeddedness of change, particularly the importance of the receptive change contexts and the role of accidents and event concrescence e.g. the “accident of history” which saw (a) US headquarters giving the original ATM concept and prototype to Dundee to see if they could make it work and (b) the external threat of closure that gave Adamson a powerful hand with the workforce and local managers.

The third article on the District Council highlighted the importance of reading of change through multiple lenses, especially the organizational discourse and political lenses. It shows the failure of leadership to provide a compelling and novel narrative for change, especially in failing to create a sense of urgency. It also highlights the failure of the management to secure some early wins with the staff in lower grades. Arguably, their initiative had focused too much on the management of managers and on the corporate culture, and not enough on the organizational culture (Anthony, 1993).

Perhaps the most important lesson from this case, however, is its



graphic demonstration of the negative effects of creating unrealistic expectations through “guru-inspired” exercises in communications and consciousness raising that turn out to be unfulfilled. In this sense the case graphically illustrates the failure of top-down change programmes to deliver the intended outcomes.

## THEME TWO: CONCEPTUAL DEVELOPMENT

One of the key aims of this thesis is to show how my thinking about strategic and organizational change has developed during the time period covered by these articles reviewed in this thesis. Thus the following four papers have been selected and evaluated for their contribution to conceptual development in the field of strategic change and HRM and to the framework and model set out at the end of the previous chapter.

### The Institutionalization of Change, the Transfer of Best Practice and the Politics of Resistance in ABB

Paper 4: Martin, G. & Beaumont, P. B. (1998) Diffusing “best practice” in multinational firms: prospects, practice and contestation. *International Journal of Human Resource Management*, 9 (4), 671-695.

#### The focus of the work and research questions

This article was a further attempt to explore the relative success of strategic change programmes in the local subsidiary of a large European MNE with a plant in Dundee. Although a relatively small plant, like Timex and NCR this case study site had achieved a degree of national and international exposure, this time because it featured on a Tom Peters video as an example of successful regeneration. Once again, the work arose from consultancy contacts with the firm that allowed me complete access, over a number of years, to all senior managers, union officials and certain corporate staff

By this time, however, our research questions on MNE's were more sharply focused on the role of best practice in bringing about change and in the possibilities of diffusing best practice to diverse subsidiary plants. The specific questions were:

1. What were the theoretical arguments and support for best practice transfer in MNE's?
2. What was the nature of the diffusion mechanisms that were used to spread best practice, particularly with respect to their effects on local managers and employees?
3. What were the key contextual factors that might help or hinder best practice transfer, particularly with respect to the ability and motivation of local managers to respond positively to such corporate pressures?

Thus, the aim of the case was essentially instrumental in that it was deliberately designed to answer these important questions discussed in the literature. However, we also had an intrinsic interest in it since it addressed the issue of how a failing and technologically-underdeveloped plant could be regenerated, at least as implied by the Peters video case.

Finally, during the writing of the case, the analysis of the interview material suggested a four-stage theoretical model of responses to the change

initiatives that has been subsequently incorporated into the thinking behind the framework set out in Figure 1.13.

### Data collection and key findings

The general approach was constructivist but also drew on extensive company records. Unstructured interviews with key informants were used to provide a narrative account of the plant's career (Coffey & Atkinson, 1996) and to gain an understanding of the experience of managers and union officials of the change initiatives and the benchmarking exercise. In all, I conducted nineteen interviews over a ten-month period with twelve key members of the management team, union officials and corporate staff. Certain of these staff were interviewed on two occasions – at the beginning and end of the data collection period – to gain an insight into their changing responses to benchmarking. These interviews lasted between one and three hours and the taped transcripts were analysed for key themes. To test the validity of our interpretation, respondents were asked to comment on the draft report.

The interpretation of the interviews provided answers to the second and third of our questions: what was the nature of the mechanism used by ABB to bring about change in the plant, what were the responses by local staff and what contextual factors facilitated or hindered the diffusion of change?

Regarding the first of these, one of the key arguments in the paper drew on the metaphor of the Panopticon to explain power and resistance to

ABB's benchmarking process (McKinlay & Taylor, 1996) and the interview data suggested a four stage response to benchmarking. These stages were early opposition and cynicism, perceived unfairness leading to resistance by distance and skilled incompetence, the perception of positive outcomes by key players, and internalization and commitment.

Concerning the second question on contextual factors, the analysis of company records and the interview material pointed to the ability and motivation of managers to respond to changes being severely constrained by (a) external factors - declining domestic markets coupled with corporate constraints on the local managers' desire to seek export markets to compensate for the decline in domestic business - and (b) internal factors, the most important of which were the results of a long standing indulgency pattern regarding overtime working (Gouldner, 1954) and union suspicion of the attempt to change the traditional pattern of adversarial industrial relations to a more sophisticated consultative approach (Purcell & Ahlstrand, 1994).

#### Contribution and critical reflections.

The article was intended to examine the role of manufacturing and HRM best practice transfer in MNE's, focusing particularly on benchmarking. The case study highlighted the potentially powerful role of benchmarking in overcoming the resistance to change of local subsidiary managers and also the importance on understanding contextual factors in shaping the ability and motivation of local managers to change. In doing so, I believe it has

developed our understanding of these issues, at least a little. Much of the extant literature on best practice transfer has adopted one of two polar positions - a simplified universalist stance (in which best practice transfer is treated as something that is inherently desirable and possible, regardless of context) or the extreme relativist stance (in which all practices are seen as products of situationally-specific learning and are culture bound). Instead, the ideas introduced in this paper are more nuanced:

- (a) the greater degree of homogeneity among organizations, the greater the potential for best practice transfer because of the perceived legitimacy of coercive comparison , and
- (b) the inherent power of internal (as distinct from external) benchmarking as a means of securing changes in managerial perceptions and cognitions and in institutionalizing organizational learning in unfavourable circumstances.

The stage model developed during the analysis of the interviews and the writing up phase has a strong degree of resonance with Tolbert and Zucker's (1996) process model of the institutionalization of innovations and has been instrumental in developing the theoretical framework in Figure 1.13. As such, the case study could easily be analytically generalized to this framework. First, the case could either be re-interpreted through the organizational discourse and power lens to illustrate the stages of institutionalization of learning and the role of change conversations (Ford &

Ford, 1995). Second, the case illustrates the processes involved in institutionalizing change set out in Figure 1.13, particularly the effective theorising by the champion of change and his persistence with the message of change, and the positive internal monitorship and reading of the benchmarking exercise after initial scepticism and resistance.

The paper, however, has a number of weaknesses. The first of these is in the presentation, which is overlong and sometimes lacks focus. In trying to answer the three questions, it has attempted to engage in too many conversations for a single article. This was particularly evident in the overlong literature review on lean production (which, I am surprised was not the subject of criticism during the review process). The second criticism that might be made is in the use of the currently overworked Panopticon metaphor (McKinlay & Starkey, 1997). My excuse here is that, at the time of writing, I had only come across two other articles that had invoked this comparison.

Theorising Resistance to Change in Multinational Enterprises: The Case of CASHCO.

Paper 5: Martin, G. & Beaumont, P. B. (1999) Co-ordination and control of human resource management in multinational firms: the case of CASHCO. *International Journal of Human Resource Management*, 10 (1), 21-42.

### The focus of the work and research questions

This article grew out of the earlier work on ABB in developing the theme of subsidiary responses to co-ordination and control in MNE's, this time returning to the case of NCR in Dundee. However, whereas a central thesis of the ABB case was that the Dundee plant had every *incentive* to comply with headquarters' desires, they lacked the *ability* to do so because of historical and contextual circumstances, the NCR case illustrates the political manoeuvring involved when a subsidiary, because of resource independence, lacks the incentive to comply with central directions.

The background literature, which helps locate the problem, draws on the problems of corporate governance in MNE's (e.g. Bartlett & Ghoshal, 1995; Prahalad & Hamel, 1990), the HRM strategies of control (Edwards, Ferner & Sisson, 1996) and subsidiaries' likely responses to the exercise of control (Ferner, 1994; Ferner & Edwards, 1995). In the paper, we develop a continuum of control based on this literature and the work of Legge (1995) and develop a categorisation of compliance and resistance in centre-subsidiary relations (see Martin & Beaumont, 1999, p. 25).

Following Yin (1998), two propositions were developed and used to examine the cases study data. These were:

Proposition 1. That the various strategies of co-ordination and control used by an MNE would only work effectively if the assumptions underpinning the strategy (empiricist rational, power-coercive, or normative



re-education) reflected the nature of power and authority relations between the centre and its subsidiaries.

Proposition 2. That the effectiveness of these strategies will be influenced significantly by the incentive and ability of host country managers to comply with headquarters' directions.

The key implication of such propositions, if they had empirical support, was that MNE's that relied on applying "blanket" HRM strategies of co-ordination and control to all their subsidiaries, e.g. culture management, regardless of the diverse power relations between them, would fail to secure the compliance they desired.

#### Data collection and findings.

In line with the earlier ABB study, the general approach is constructivist, although it does set out to test propositions which, according to some interpretivist researchers (e.g. Kvale, 1996) is a legitimate and, often, superior, way to approach such research. The case study drew on interview data collected for the earlier paper on NCR (Martin & Riddell, 1996) for much of the background. For the more specific data regarding the two hypotheses, the CEO, four senior HR staff and a corporate HR director were re-interviewed. These interviews lasted between one and two and a half hours and the transcripts were coded and analysed for key themes, particularly regarding their responses to control. These themes were used to generate

some of the ideas for the categorisation of compliance and resistance discussed earlier (Martin & Beaumont, 1999, p.25).

The case study documents the growing success and resource independence of the Dundee plant and the tensions between the desire of corporate head office to apply universal, ethnocentric strategies of control and the emerging lack of incentive of local plant management to follow headquarters' directions. Thus, over a period of nearly twenty years, NCR headquarters in Dayton, Ohio applied the same globalizing (Evans, Doz & Laurent, 1989) strategies of control to all of its subsidiaries, regardless of the host company culture, financial position and importance as a source of revenue and ideas. This was best exemplified in the Dundee case in the application of three strategies and periods of control of HRM:

1. Empiricist-rational strategies during 1980-90 involving ethnocentric selection, manpower planning, career development and industrial relations policies that brought about a variety of responses from the Scottish management team (see Martin & Beaumont, 1999, p. 39);
2. Power-coercive strategies during the period 1985-95 that were consistent with a return to financial control. These included inter and intra plant benchmarking, particularly the use of attitude and customer survey as tools of coercive comparison; and
3. Normative re-education during the 1990s through a major attempt at universal culture change management following the take-over by

AT&T. This failed attempt at “winning hearts and minds” was in stark contrast to the “home-grown” policy of lifelong learning that was instituted by the Dundee management team designed, in part, to promote a measure of organizational justice and secure a degree of organizational commitment and trust.

### Contribution and critical reflections

The main contributions of this article were to the literature that has examined the co-ordination and control by MNE's of their subsidiaries using universalistic HRM best practices. The data from the case study provided substantial evidence that such transfer of best practice that fails to take into account the circumstances of individual subsidiaries, particularly the diverse power relationships and degree of resource dependence, are unlikely to deliver what is expected from them. The data are most convincing during the period of globalized culture control when AT&T bought over NCR. Thus the case also has practical value in that may be naturally generalizable to the experience of MNE managers if they find the account credible and convincing.

I believe that the two conceptual schemas or categorisations developed in the article also develop the extant literature in these areas. The first schema on the continuum and control of HRM in MNEs was developed deductively from various works whilst the second categorisation of compliance and resistance was developed deductively from the literature and inductively

from the data. These conceptual developments have been used in subsequent work to further explore the co-ordination and control theme since the article has been treated as an “umbrella” for more detailed examinations of the failed, globalized culture change programme (Martin, Pate & Beaumont, 1998; Martin, Beaumont & Pate, under review), and the effects of the programme of lifelong learning on psychological contracts (Martin, Pate & McGoldrick, 1999; Martin, Pate, Beaumont & McGoldrick, 1999a) and on knowledge transfer (Pate, Martin, Beaumont & McGoldrick, 1999b).

Regarding the central theme of this thesis, the application of the multi-lens framework set out in figure 1.12 and the process model of the institutionlization of strategic change in figure 1.13 , the data in the case study are analytically generalizable to these frameworks/models. First, the case illustrates the importance understanding how centre-subsidary relations in MNEs are embedded in organizational discourse and politics, particularly the role of subsidiary managerial cognitions and actions in (a) intrepreting and enacting the wider organizational context (definitions of resource dependence between the centre and its main subsidiary) and in (b) shaping the outcomes of the strategic change process. In this sense the two conceptual categorisations map directly onto the organizing framework for the thesis.

Second, the case study data, particularly concerning the culture change programme, illustrate the failure of corporate headquarters to initiate successful change conversations, the consequences of having a champion who was unable to theorise the change in a sufficiently nuanced fashion to

powerful subsidiary managers, and the failure to understand the critical role of internal monitoring by subsidiary managers in assisting the objectification of the rhetoric of change. These issues have been taken up directly in a subsequent article referred to above and have been used to develop some of the thinking underlying the process framework in figure 1.13 (Martin, Beaumont & Pate, under review).

Finally, the case study is analytically generalizable to another, more recent attempt to model the success of the transnational transfer of organizational change practices (Kostova, 1999). Her model has highlighted the importance of (a) the organizational culture of the subsidiary unit, particularly the favourability for learning and change and the compatibility of practices, and (b) the relational context, specifically the attitudes of subsidiary managers to the parent company, their sense of shared identity and trust in the parent and their resource dependence on the parent company. In re-interpreting the case, perhaps more could be made of these linkages.

#### Explaining the Diffusion of Best Practice Management Development: Rational Planning versus Institutional Explanations.

Paper 6: Martin, G., Beaumont, P. B. & Staines, H. (1998) Determinants of early and late adoption of management development practices: evidence from Scotland. *The International Journal of Organizational Analysis*, 6 (2), 132-145.

### The focus of the paper and research questions

This paper represents something of a departure from the case study strategy of the previous papers in that it draws on a survey of a number of organizations but, nevertheless, is concerned with one of the central themes of this thesis - the different lenses that help explain the adoption of change initiatives in organizations and the implications for success. Two explanations for the adoption and diffusion of management development innovations were explored. Thus, rational decision-making and the influence of the organizational discourse and political context (Figure 1.12) were tested to see which had the greatest explanatory power in influencing innovation decisions in management development and under what circumstances these explanations were likely to hold.

This was a first attempt to write for a US journal, which proved to be a valuable learning experience in that the referees and editor provided helpful but very directive advice on how the paper should be re-drafted. In line with the experience of others, the final product has been severely edited and focused on one question. The original submission engaged in other conversations, most notably the literature on managerial fads and fashions (Abrahamson, 1997).

Following a review of the literature on innovation and adoption, the central hypothesis tested in this survey of organizations was that the rational-technical factors would be more influential in the decision-making process for

early adopters of new forms of management development initiatives whilst later stage adopters would be more influenced by institutional factors. We operationalised early adopters as organizations that reported extensive usage of one or more of four, newer and less widespread management development techniques and predicted a positive relationship between such companies and the existence of a strategic approach to HRD and HRM, as measured by the conventional characteristics of strategically-driven HRM companies (e.g. Mabey, Salaman & Storey, 1998).

#### Data collection and key findings

The data were drawn from a postal questionnaire survey of 600 companies in the Tayside region of Scotland, which was a repeat of an earlier survey conducted in 1991. This was used to provide a longitudinal perspective on changes in practices, although the reviewers asked us to ignore this line of enquiry. The survey attracted a 17% response rate that was acknowledged as a limitation in the paper in leading to a high probability of response bias towards early adopters. However, the survey responses reflected the overall industrial structure, but with a overrepresentation of larger firms.

The key findings were that early adopters were characterised by a strategic approach to HRD and HRM , as predicted by the rationally-oriented strategic HRM literature. The characteristics of firms that were early adopters of new management development methods were those that might be

expected (see Martin, Beaumont & Staines, 1998, p. 139). These included: formal policies, plans and budgets for management development, greater use of formal programmes, consultants, career planning, assessment centres and focus on strategic change competences.

However there were some surprises in the data. First, early adopters tended to be public sector or newly-privatised companies. Second, the data on knowledge of and take-up of IIP was limited and that IIP did not seem to have much of an influence on innovations in management development.

#### Contribution and critical reflections

The data broadly supported the main hypothesis that rational-technical factors were a more important influence on early adopters of management development methods whilst institutional factors were more influential with later stage adopters. Thus, this study has provided some evidence that is consistent with the rational lens on strategic change (see Figure 1.12).

However, the fact that these organizations were mainly drawn from the public sector or newly-privatised sector suggested a less clear-cut conclusion. Given the evidence of institutional pressures of decision-making associated with public sector generally through normative, coercive and mimetic influences, we must be sceptical of accepting the rational explanation at face value. A major weakness of the way in which we operationalised early adopters may help explain these findings and mask the extent to which



coercive and mimetic pressures were important in adopting new management development initiatives.

The article has pointed out the weaknesses of survey-based approaches to studying dynamic concepts such as innovation and adoption, particularly in producing highly rationalised retrospective accounts of decision-making, failure to contextualise managerial cognitions and decisions and general silence on cause and effect. In this sense, it speaks to the need to explore these issues through the process framework outlined in figure 1.13. For example, studying innovations and, indeed, the adoption of managerial fads and fashions generally (Abrahamson & Fairchild, 1999) is not best served through survey techniques that can only tap managerial rhetoric and fail to evaluate the extent of institutionalisation of such changes. However, surveys do represent an input into the conversation and provide a useful corrective to viewing managerial decision-making through single lenses.

Do HRD Investment Strategies Pay? Theorising a Link Between HRD and Psychological Contracts.

Paper 7: Martin, G., Pate, J. & McGoldrick, J. (1999) Do HRD investment strategies pay? Exploring the relationship between lifelong learning and psychological contracts, *International Journal of Training and Development*, 3 (3), 200-214.

The focus of the work and the main questions.

The paper was one of two articles developed from the umbrella article on NCR by Martin, G. & Beaumont, P. B. (1999) that was discussed earlier. The focus of this work was the debate over the pay-off of HRD initiatives and particularly the role of company-based lifelong learning programmes in securing a measure of organizational justice and organizational commitment. The background literature for the article was the potential links between organizational and market changes on the one hand (the so-called “New Economy” literature) and the relevance of HRD investment and “old-style”, relational psychological contracts based on career development. The contending perspectives developed in the paper were:

- (a) that old style career philosophies based on hierarchical progression and based on job security were no longer relevant in modern organizations (Adamson, Doherty & Viney, 1998; Cappelli, 1998) and that organizations should become employers of choice by offering employability but not job security, or
- (b) the move to respond to environmental pressures by offering employability without job security would reduced long term trust in organizations and thus make organizational transitions much more difficult to achieve (Herriot, Hirsh & Reilly, 1998)

A framework for understanding and mapping out the relationships between the context of change, breach/violation of psychological contracts over HRD promises, organizational outcomes and the willingness to

participate in future changes was developed and used to generate two questions of the data on the effectiveness of the programme of lifelong learning in NCR. These questions were:

- (a) what was the impact of the programme on psychological contracts over the period 1990-97? and
- (b) what was the impact of recent redundancies on employee perceptions of their psychological contracts and had employees adjusted by increased cynicism and engaging in more transactional relationships with the company?

#### Data collection and key findings

The general approach was post-positivist, involving multiple methods of data collection. The work proceeded intermittently, over a four-year period between 1993-97. The first stage was an interim survey in 1995 of participants' experiences of the lifelong learning programme (EFA), the second stage involved the re-interpretation of in-company attitude survey data, and the third stage involved twenty semi-structured interviews with fourteen EFA participants and their managers to explore their experiences of the programme and their psychological contracts.

In connection with the two broad research questions, the data showed that:

- (a) Participants were positive about career development in the company, with more than 40% claiming that EFA had been a contributory factor in their career progression,
- (b) Participants were most likely to see EFA as a form of self-development but career progression and employability were beginning to feature in their career orientations,
- (c) Participants reported EFA as having a significant impact on organizational and continuance commitment in the 1995 and during the interviews in 1998. However, the recent impact of redundancies was associated by employees with the development of more “protean” career orientations (Hall & Moss, 1998) with a focus on self development and employability
- (d) During the period 1993-97, employee attitudes regarding job satisfaction, the company, internal co-operation and job security decreased significantly
- (e) The only areas with which employees reported increased satisfaction were career development and the involvement climate

#### Contribution and critical reflections

The key contributions of the paper were in demonstrating an, admittedly tenuous, link between the EFA programme and employee perceptions of key aspects of their psychological contracts, even given the

recent redundancies and the uncertainty created by job insecurity. Our argument was that EFA had been a consistently strong signifier of the old deal based on long term relationships and strong measures of organizational justice in career development and trust in employees. Such was the strength of this relationship that it may even have mitigated the worst effects of redundancies. However, it was likely that the career orientations of employees were changing to stress their future employability and personal life style ambitions – the emergence of what has become known as protean career orientations (Hall & Moss, 1998).

Secondly, the paper has made a tentative contribution to the literature on psychological contract breach and resistance to organizational change (see Martin, Pate and McGoldrick, 1999, p.205). This mapping out of the potential relationships has been constructed from an extensive review of the literature in this area and has been used in other papers to provide a theoretical framework (Martin, Pate and Staines, under review).

The article, however, is limited in certain key respects. The most important of these is the reliance on secondary data drawn from employee attitude surveys that were not deliberately designed as a test of psychological contracts. Whilst we attempted to use some of the questions as proxies for perceptions of the content and outcomes of psychological contracts, this was certainly not ideal. Furthermore, no attempt was made to compare the perceptions of EFA participants with those of non-participants. Finally, because of the way in which the company survey data was packaged and

made available to us, there was no way of testing for an association or correlation between increased perceptions of job insecurity and changes in key aspects of the psychological contract. Instead, we were left to speculate that this was the case, although in this speculation, we were supported by interview data. However, all of these limitations have recently been addressed in a better designed study, funded by the Carnegie Trust of Scotland, that has allowed us to examine the effects of EFA on career changes, orientations and salary benefits (Martin, Pate, Beaumont & McGoldrick, 1999a) and on psychological contracts and knowledge transfer (Pate, Martin, Beaumont & McGoldrick, 1999b). These conference papers are currently being written up for journals and provide a more rigorous examination of lifelong learning in the company.

With regard to the frameworks developed in the thesis concerning strategic change and performance, these data are analytically generalizable to the process model of the institutionalisation of change developed in Chapter 1. The programme of lifelong learning could be treated as an example of a locally-relevant HR policy that had, on the surface at least, many of the characteristics of successful programmes of normative re-education, e.g. contextually-appropriate, addressing managerial cognitions of future strategic directions and rooted in a discourse that resonated with the changing career orientations of the Dundee workforce. In this sense, it contained a credible and novel message of change that was both championed effectively and read positively. Thus, the message of learning and its relevance to the strategic

aims of the plant have become institutionalised, despite potentially damaging effects of recent redundancies and questioning of the viability of the programme by corporate management.

### Conclusions on Theme Two: Conceptual Development

The main empirical and conceptual contribution of the paper on ABB was (a) in demonstrating that “hard”, internal forms of benchmarking are an extremely powerful lever of change because they become embedded in the impersonal organizational system of disciplinary power, surveillance and coercion and (b) in mapping out the beginnings of a process model of the institutionalization of change that explained how benchmarking, supported by change conversations, overcame initial resistance. As can be seen, the cases study data and the thinking developed in the paper have been very influential in the construction of the process model of change outlined in Chapter 1. Moreover, the article has something to contribute on the circumstances in which best practice can work: thus the greater the degree of homogeneity of sub units and contexts , the greater the potential for transferring best practice, particularly when best practices are subject to hard benchmarking.. In this sense, we have avoided the relativism of some researchers who deny that best practice can exist and, instead, specified the contextual conditions where best practice transfer might work. Our ideas on this issue have recently found support in the work of Kostova (1999), whose model influenced the development of Figure 1.13.

The empirical contribution of the paper on Cashco again demonstrates

a failure of “one-size, fits-all” approaches to culture change in which US best practice was transferred into a culturally different and unreceptive context for change. Instead it showed the value of having a “home-grown”, contextually-sensitive change initiative, this time in the form of a generously-funded education and career development which helped create longer term employee commitment.

Perhaps more importantly, the theoretical contributions of the article, however, were in developing a categorical schema for compliance and resistance in centre-subsidary HRM relations in MNE’s and in providing a schema for HRM control strategies in MNEs. These schemas map directly onto the model of the institutionalization of strategic change set out in Figure 1.13 and, in doing so, help address the general research question of this thesis. This article, together with the data and ideas developed in the paper on the District Council, could be used illustrate the value of replication as a method of theory building in the area of why culture change may not succeed since both speak to the model of the institutionalization of change set out in figure 1.13.

In sharp contrast to the case study approach of the previous articles, the paper on management development was based on survey evidence that indicated the circumstances in which the rational lens might be a more appropriate explanation of why firms innovate in the field of management development. Such firms were likely to exhibit characteristics of early adopters, have written policies on HRM and plan in other areas of



### THEME THREE: METHODOLOGICAL DEVELOPMENT

The third aim of this chapter was to reflect on certain of the methodological and data gathering problems of producing knowledge on strategic change. This paper has been selected and evaluated for its contribution to such a discussion, particularly in highlighting some of the problems of adopting a multi-paradigm approach and using mixed methods of data collection.

#### Linking Career Development and Job Security in a New Psychological Contract: Ethnography and Methodological Pluralism.

Paper 8: Martin, G., Staines, H. & Pate, J. (1998) Linking job security and career development in a new psychological contract, *Human Resource Management Journal*, 8 (3) 20-40.

#### The focus of the work and the main questions.

Like the previous paper, this study, which arose out of a consultancy contract, dealt with the issue of career development and job security. The article, which received an ANBAR award of excellence, focused on the "new psychological contract" and the relationship between the recent upsurge of interest in training and development and the market and organizational changes believed to be taking place in the 1990s.

Two competing theses were examined (see Yin, 1998) concerning the demand for training and development in this case study. These two theses were:

- (a) the "enlightened" employer thesis, where firms were seen to be offering new deals of employability (increased education, training and career enhancing work) rather than job security, in return for greater flexibility and short term commitment (Herriot & Pemberton, 1997; Cappelli, 1998), and
- (b) the employee-driven thesis, in which employees adjust to increased perceptions of job insecurity by developing different career orientations (e.g. protean careers, boundaryless careers) that are based on more and better education and training. One of the likely consequences of this thesis is that employees may develop a heightened set of expectations of training, especially if fuelled by employer rhetoric on employability and, thus, may feel increasingly let down by what is actually delivered.

The case study was of a local industrial textiles firm that had undergone a major programme of organizational change, involving an increase in rhetoric on training and development. The senior managers in the company had recently articulated a policy of making training and career development more widely available and had articulated an unwritten policy

of "employability" - providing training and development as an alternative to guarantees of job security.

### Methodological contribution, data collection and findings

In terms of the paradigms described in Chapter 1 in this thesis, the broad approach might best be described as post-positivist in that we were interested in establishing a cause and effect relationship, using both deductive and inductive reasoning that was based on mixed methods of data collection. However, given the periods of time that we spent in the various plants in the company interviewing and observing employees in their natural surroundings, we can make a claim to having carried out a piece of ethnographic research, involving two essential elements (Van Mannen, 1988) – fieldwork and the study of micro-cultures.

The methods usually associated with ethnography are participant observation and interviewing. My role as participant observer was as a consultant researcher and, for a period of four months, I spent approximately 5-8 hours a week in the plant setting up the study with a project group and senior managers, administering numerous group questionnaire sessions, presenting and receiving feedback on the questionnaires and conducting five 2-3 hour long group interviews with a random sample of employees from the various plants. In addition to this, my research assistant, Judy Pate, spent an average of 8-10 hours per week for a further four-month period undertaking 47 semi structured interviews for this stage of the research and a further

tranche of interviews for a subsequent study. In all, we have been involved in researching this project, intermittently, for nearly two years, although the results reported here refer only to the period up to 1997.

We designed the study to embody substantial elements of *between-method triangulation* (questionnaires, observation, group interviews, individual interviews, analysis of in-company documents) and *within-method triangulation* (longitudinal time frame for the survey stage, repetition of data collection over time for the full study and data collection from representatives of different functions and grades of employees in the four plants in the company) (Brannen, 1996).

Although we were sceptical of the role of surveys in the study of micro-cultures, we were encouraged to undertake these for three reasons. The first was that a firm of consultants had undertaken a prior survey two years previously before the changes were implemented. Consequently, by using some of the same questions on employees' expectations, values, beliefs about the implementation of the company mission and the various change programmes, we were able to gain a measure of change over time. The second reason for the questionnaire was that we were able to use Guest & Conway's (1996) survey-based model of the psychological contract a theoretical framework to guide and interpret the data collection and results. Third, we were able to gain a measure of external validity and comparison of the data in the various plants because we used some questions drawn from multi-company studies conducted by Maitland (1995, 1996, 1997). Thus for

example, this gave us some insight into what a particular mean Likert-scale score on items designed to tap attitudes to communications, pay and job security meant in relative terms.

The main findings from the quantitative data were that:

- (a) employees in the company as whole had come to value training and development more highly than previously.
- (b) employees also saw training and development as one of the areas most violated during the period covering the two surveys.
- (c) employees in the different plants had markedly different attitudes towards training and development and how the company had met their expectations.

These findings were somewhat at odds with Guest and Conway's (1997) findings but in line with those of Maitland (1996) in that job security and training and development would be highly valued by employees and pay and communications would result in most dissatisfaction.

The qualitative data stage involved the survey feedback to supervisors, focus group interviews in the various plants and the individual interviews with a stratified random sample of employees in the plants. The number of interviews conducted and the sampling process used allowed us to "head off" any potential criticisms concerning external validity or generalizability, which are always likely to levelled at qualitative studies, regardless of the

justification (Kvale, 1996). In doing so, we were able to make further use of Guest and Conway's (1997) psychological contract framework by suggesting some links among our interpretations of the interviews, causality between the antecedents, content and consequences of employee psychological contracts and contextual influences (see data matrix of shopfloor employees in the two sites in Martin, Staines and Pate, 1998, p. 30).

### Between method tensions

Whilst there was evidence of between method triangulation, especially regarding the violation of expectations and employer rhetoric on training and development, our interpretation of these qualitative data were often at odds with the survey findings. This was particularly so in our study of an old weaving plant that had produced the most positive results on satisfaction with many aspects of company policy, including training and development, in the questionnaires. However, the accounts provided during our qualitative phase seemed to completely contradict this expressed degree of satisfaction.

Such tensions, which have often been my experience in multi-method data collection (see, for example, Martin, Pate & McGoldrick, 1999; Martin, Beaumont & Pate, under review), are not surprising but certainly do not help nomothetic theory building or testing (Brannen, 1996). Instead, these tensions speak to Silverman's (1993) view that, because methods of data collection are heavily situated and bound by context and time, one must expect variation and question the ability of multi-method triangulation, especially socially-

constructed accounts (Miller & Glassner, 1997), to provide a more “objective”, post-positivist version of truth. Thus, it is to be expected that, in qualitative research in particular, we will often experience dialogical accounts of organizational discourses, not just between managers and workers but between different groups of workers at the same time and the same groups of workers at different times (Martin, 1992). How this problem is handled is a question of interpretation and belief. Thus, for example, my own approach is to treat quantitative survey data as exploratory and as an input into a conversation among the various accounts and interpretations of data.

#### Contributions and critical reflections

In addition to the methodological contribution and critical reflection, the data in this case seemed to best explained by the second thesis, that the increased emphasis on training and development and dissatisfaction with what is delivered is associated with employees adjusting to perceptions of job insecurity and attempting to make themselves more “career resilient” (Iles, 1999) and employable. Such an interpretation, whilst not inconsistent with enlightened employer policy on self-development and employability, is a more likely cause of employees’ changing career orientations (Herriot, Hirsh & Reilly, 1998).

The weaknesses of our argument, however, are that both theses are mutually implicated and perhaps trying to disentangle cause and effect in such a linear fashion masks this possibility.

## Conclusions On Methodological Issues In The Study Of Strategic Change

The major contribution of this paper has been to show the strengths and weaknesses of using a variety of methods to collect data in longitudinal case study research. The article shows the tensions often created by using multiple methods of research that are derived from different epistemological traditions. Although most researchers would argue that good case research is often defined by the use of multiple methods, such pragmatism is not always epistemologically justifiable and can lead to problems of convergence in data analysis. Again, these arguments speak to the contextualized and time-bound nature of data, which, in turn, must lead to a questioning of rational forms of analysis and planning.

The findings from the research also provide some evidence of the pattern of events that can lead to change failing to produce intended outcomes. In doing so, these data provide some answers to question three in the thesis.

Finally, these data from the two plants show the value of replication in case study research and strengthen the case for analytical generalization of the data to the rival theoretical propositions advanced in the article.



## CONCLUSIONS

The overall aim of this thesis was to bring together a relatively diverse set of articles to address a central question in the management literature: what is required to embed strategic change in an organization? This question was used to provide a focus for the research that, in the context of this thesis, has used the writing process to revisit already-published work in the area of strategic change. What can we conclude, however, about the process of embedding strategic change from this literature review and these articles and what are the wider implications for theory and practice?

## IMPLICATIONS FOR THEORY AND PRACTICE

In the first chapter, I undertook a literature review that *en route* touched on ontological, epistemological and methodological issues raised by the literature on strategic and organizational change. This was felt necessary because so much of what passes for knowledge in these fields is unreflexive of its assumptions, is biased to blindspots and, usually offers little more than a listing of simple prescriptions. Thus, the literature which often appeals to practitioners and promises much action on producing change, paradoxically turns out to be inactionable (Aryris, 1999). This occurs principally because the assumptions underlying this literature do not mirror the complex nature of reality.

In this literature review, I argued that paradigms on change are at least partly commensurable and offer the possibility of integration. Thus one of the best ways forward in developing an actionable theory of change was to work with the framework of Rajagopalan & Spreitzer (1996), who set out a multi-paradigm or multi-lens approach to strategic change. In extending their model, I drew first on literature from the contextualist and processual schools, linguistics and communications, cultural approaches to change and institutional theory in organizational studies and, second, on my own research in this area to produce (a) a more complete overall theoretical framework (see Figure 1.12) and (b) a process model of the institutionalization of strategic change (see Figure 1.13). These linked models attempt to move the literature in this area further along the way to a more complex understanding of the change process and, thus, they represent my modest contribution to a theory of strategic change.

To return to the question of what it takes to embed strategic change in an organization, I attempted to answer this question in three ways. First, organizations that often begin with similar strategies but produce different outcomes usually do so because of the classic implementation problem. For these organizations, planning, based on the rational lens, is the key to strategic change and is often separated from doing in some very artificial ways, e.g. the existence of planners and planning departments and the dominance of top-down strategic plans in organizations. If it were ever the case that such approaches were relevant in the past, it is probably not so now

and will be less so in the increasingly unknowable future. As Weick (1999, August, with Mintzberg and Senge) has speculated, the role of strategic planning will become much reduced and probably will do no more than to energise organizations to begin the journey of change rather than mapping out the complete territory in advance for them.

Second, I argued that analyses and prescriptions that draw on multi-lens or paradigm approaches are much more likely to provide the complex picture of reality which needs to be addressed in most change situations. Thus the overall framework that has been developed in this thesis – the extension to the work of Rajagoplan & Spreitzer (1996) – attempts to set out the important lenses and links in the strategic and organizational change process. One of the key messages of this section was that power, politics and organizational discourse are at the heart of any explanation of strategic change. In making this argument, I am not breaking any new ground since a number of writers have delivered the same or similar messages (e.g. Dawson, 1994; Pettigrew & Whipp, 1991; Buchanan & Badham, 1999). However, much of the mainstream, prescriptive literature on change, whilst acknowledging that politics exist and that communications are an important tool, treat the former as a disease to be cured and the latter as merely a tool with which to work.

Third, and following on from this last point, I have developed a process model of the institutionalization or embedding of change initiatives that draws heavily on the idea that change occurs *in* communications and

powerful discourses, which, however, are never complete but imply opposition, resistance, counter discourses and “battles over the frontiers of control” (Edwards, 1979). Once again, these ideas have been around for some considerable period of time; what I have attempted to model in this thesis, however, is a modest contribution that shows how an idealised process of embedding change might progress. This process model has been derived from the literature but has also been constructed from ideas developed during my own research in the field. This model, which can be used as the basis for further research, has generated a number of propositions and it is, perhaps worth reiterating these, since they also have important practical implications:

#### Key Propositions on the Embedding of Strategic Change

The Conception Stage	<i>Proposition 1. Without effective theorizing through convincing organizational discourse by credible corporate or mid-level management champions, corporate-wide adoption and diffusion of strategic change initiatives is unlikely to progress beyond the conception stage.</i>
The Transition Stage	<i>Proposition 2. Such discourse and stories generated by champions should draw on realistic initiative and understanding conversations, including those that enhance the credibility and novelty of the assertions, declarations and promises made at the outset, the rationale and evidence used to support these assertions, etc., and</i>

	<i>the actions and benefits that will result from achieving the changes</i>
	<i>Proposition 3. The messages of change as set out by the champions has to be read as containing a credible and novel message by lower level managers to secure their conversion to the "cause".</i>
	<i>Proposition 4. In the absence of a credible and novel message, other corporate and middle managers not yet involved in the change process are unlikely to have the incentive to read the story in a positive light and may look for reasons as to why the changes should be discontinued, resisted or ignored.</i>
	<i>Proposition 5. For the new discourse of change and its material realities to become more widely shared by employees at all levels in the organization, the champions of change, usually aided by their middle management converts, have to continue to draw on new understanding conversations and promises or directives that will engage or compel most employees to accept strategic change.</i>
	<i>Proposition 6. For change to progress towards the sedimentation stage, there has to be evidence and publicity</i>

	<p><i>of “early wins” for managers and evidence and publicity of positive outcomes for the majority of employees.</i></p> <p><i>Proposition 7. The champions of change have to continue to embed change in the organization by drawing on closure conversations intended to signify the success of these intermediate positive outcomes.</i></p>
<p>The Emergence of new Strategic Discourses and Working Relationsships</p>	<p><i>Proposition 8. The extent to which strategic change is embedded in the organization can be measured by the degree of penetration and durability of changes in the attitudinal and behavioural dimensions of the outcomes of employee psychological contracts.</i></p>

In Chapter 2 of this thesis I used these models and propositions to revisit eight of the articles which I have written over the last five years that deal with the change process. Without labouring the point, much of the data from these papers could be reworked to provide a good test of the propositions outlined above and, thus, demonstrate the generalizability of the process model in particular to other, similar situations.

The first section of Chapter 2 dealt directly with success and failure in strategic change initiatives. All three cases demonstrated the contextual embeddedness of change and the role of history, the institutional context and

industrial and local market circumstances in influencing the trajectory of change. The case study of NCR, however, was particularly apposite to the process model in Figure 1.13 since it demonstrated the full range of political influences on the change process, including the skilful use of political behaviours and the role of leadership in treating change as produced by communications. Equally importantly, this case also demonstrates one of the other key lessons of the model: for change to become embedded, managers at all levels have to be persistent in their actions and communications, secure early wins with lower level managers and the workforce and draw on different kinds of conversations at each stage of the process of change. The case illustrates the key role of credible strategic leadership in embedding change; as Nadler (1992) has stated, one does not see too much evidence of successful change without the consistent and persistent involvement of senior managers at every step along the way. There is little doubt that in the two cases which were unsuccessful in achieving positive outcomes, the credibility of leadership and their failure to create credible and novel strategic stories or discourse of change, resulted in overt or covert opposition to change or else in little significant impact on the psychological contracts of employees.

The second section in Chapter 2 attempted to show how my ideas about strategic change have developed over the period covered by the research. In the earlier papers I did not really attempt to articulate a theoretical position on power and discourse, although these concepts were always implicit in the analyses. In the papers reviewed in this section,

however, there are some attempts to theorise from the data about the exercise of power in organizations and the opposition implied and generated by the exercise of power. This is most apparent in the case studies of ABB and Cashco (NCR), where I developed some theoretical propositions that have subsequently been incorporated into the process theory of change in Figure 1.13.

A second theme that runs through a number of these articles is the contribution of institutional theory to organizational studies. Neo-institutionalists, such as Scott (1995) and Tolbert & Zucker (1996) have shown how practices in organizations become institutionalized, while Di Maggio & Powell (1983) have theorised about the different kinds of pressures on organizations to adapt to their institutional environments, viz., coercive, mimetic and social pressures. The overall theoretical framework and the process model outlined in Chapter one uses these ideas to show how change initiatives become embedded in organizations in contrast to the rational choice lens underpinning much strategic change theory. Thus whether we are talking about how organizations formulate concrete competitive strategies, strategic initiatives such as corporate culture change or management development policies, or visions of the future, we have to consider how much these decisions to adopt and diffuse, and the process of diffusion itself, is influenced by institutional pressures and beliefs rather than by rational choice. There are some important implications for practitioners here in



raising the question of why they chose to adopt and diffuse what are often seen as little more than managerial fashions and fads.

The final section in Chapter 2 dealt with some methodological issues in the study of strategic change. The methodological position taken throughout this thesis is sympathetic to critical realism and to the post-positivist approach of using multiple methods of data collection. This is particularly so in longitudinal case study research carried out for some of these articles. In an attempt to gain the benefits of triangulation, however, such eclecticism can lead to problems of analysis and the search for a probabilistic reality. For example, what do you do when data from questionnaires do not converge with data from observations and in-depth interviews? This is a key question for researchers and cannot be resolved here. It is perhaps, sufficient to say that pragmatism is not without its costs and that “borrowing from the supermarket of ideas” (Burrell, 1990), as most case researchers do, may not be tenable. This is not merely a theoretical issue but has some practical implications, given that much of what passes for research by practitioner change consultants in organizations is limited to using snap-shot surveys that may say more about the surveyor than those surveyed. (Martin, Beaumont & Staines, 1998).

A final point about the relationship between theory and practice. As a teacher of strategic and organizational change to managers and postgraduate student *and* research methods in management to masters and doctoral students, I am sometimes inclined to argue that the most useful advice I can

give practitioners is to read books on research methodology so that they can evaluate the basis of what passes for knowledge in the burgeoning field of strategic change. It is only by doing so that they will acquire the skills of learning how rather than learning what, which will probably serve them better, given the half life of management knowledge. This comment serves as a criticism of my own modest contribution and as the most important lesson for the future.

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Martin, G. & Dowling, M. J. (1995) Managing change, human resource management and Timex. *Journal of Strategic Change*, 4 (2), 77-94.

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